FOREIGN VESSEL OPERATIONS IN THE U.S. EXCLUSIVE ECONOMIC ZONE

(111–122)

HEARING

BEFORE THE

SUBCOMMITTEE ON
COAST GUARD AND MARITIME TRANSPORTATION

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

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CONTENTS

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June 16, 2010

SUMMARY OF SUBJECT MATTER

TO: Subcommittee on Coast Guard and Maritime Transportation

FROM: Subcommittee on Coast Guard and Maritime Transportation staff

SUBJECT: Hearing on "Foreign Vessel Operations in the U.S. Exclusive Economic Zone"

PURPOSE OF THE HEARING

The Subcommittee on Coast Guard and Maritime Transportation will convene on Thursday, June 17, 2010, at 2:00 p.m., in room 2167 of the Rayburn House Office Building to receive testimony regarding the extent of commercial activity conducted by foreign vessels engaged in the U.S. Exclusive Economic Zone (EEZ). The Subcommittee will also examine the overlapping jurisdictions of flag states and coastal states when foreign-flagged vessels and drilling units are operating in a coastal state's EEZ.

BACKGROUND

The U.S. Coast Guard has indicated that as of June 15, 2010, there were 37 U.S.-flagged and 57 foreign-flagged mobile offshore drilling units (MODU) engaged in activity on the outer Continental Shelf (OCS). The Coast Guard also reported that there are 38 U.S-flagged and one foreign-flagged floating facilities (platforms) engaged in OCS activities. The Coast Guard has indicated that it is difficult to provide an accurate count of foreign-flagged vessels operating on the OCS and within the U.S. EEZ because, unlike foreign-flagged MODUs and floating facilities, which are subject to an annual Coast Guard inspection requirement, foreign vessels are currently not required by regulation to give notice of their arrival on the OCS because the Coast Guard has failed to finalize a rulemaking required under the SAFE Port Act (P.L. 109-347). Nonetheless, the Coast Guard estimates that there are 1,307 U.S.-flagged and 67 foreign-flagged support vessels operating on the OCS (the Coast Guard's estimates of foreign-flagged vessels operating on the OCS drawn from data compiled by the Offshore Marine Service Association).

According to the Congressional Research Service (CRS), based on data available from Rigzone, there are 275 drill rigs categorized as being associated with operations in U.S. waters (this is a broad count, and appears to include rigs that are actually drilling, as well as others in various

statuses such as ready stacked, cold stacked, undergoing inspection, under construction, and retired).[1] Of this number, CRS reports that 243 are (or were) operating in the Gulf of Mexico, four are offshore of Alaska, and 28 are (or were) offshore of other U.S. locations. CRS was able to determine the flag of 125 of the drill rigs associated with Gulf of Mexico activity; of these, approximately 80 drill rigs are (or were) U.S.-flagged, and, for the foreign-flagged drill rigs, the predominant foreign flags were Panama (14 rigs), Liberia (14 rigs), Marshall Islands (13 rigs), and Vanuatu (five rigs).

According to data provided to the Subcommittee by ODS-Petrodata – which does not reflect all classes of vessels (and does not include smaller OSVs, construction vessels, or crew boats, for example) – as of June 14, 2010, there were 442 offshore service and supply vessels deployed in the Gulf of Mexico. Of these vessels, 390 are U.S.-flagged, and other predominant foreign flags are Vanuatu (20 vessels), Norway (10 vessels), the Bahamas (six vessels), and Panama (three vessels). The ODS-Petrodata lists nearly 20 flag states, including Malta, the Isle of Man, Marshall Islands, Mexico, the Netherlands, the Norwegian International Ship Register, and Singapore, but, except for the countries listed previously, each have only one or two vessels under their registry operating in the Gulf of Mexico.

The U.S. Coast Guard is in the process of developing a rule requiring foreign-flagged vessels to report their arrival on the U.S. OCS. However, the United States does not currently appear to have a comprehensive or centralized data set on the scope of foreign vessel activity on the OCS.

I. The United Nations Convention on the Law of the Sea[2]

The doctrine of freedom of the seas governed the world's oceans from the seventeenth century until the mid-twentieth century. This principle had limited nations' rights to assert jurisdiction over more than just a narrow band of sea around their coasts. However, in the 20th century, coastal states became concerned about the depletion of their fish stocks by foreign fishing fleets and about the discharge of pollution from ships. Coastal states began to assert claims over the enormous variety of resources such as oil, gas, and minerals that could be exploited from the seabed near their coastlines.

The United States unilaterally extended its jurisdiction to natural resources on its OCS in 1945. Other countries soon followed the U.S. lead in making various claims to sovereignty over waters extending 12 or even 200 miles offshore.

In 1982, the United Nations Convention on the Law of the Sea (UNCLOS) was adopted,[3] which came into force in 1994. Adoption of UNCLOS established international law governing territorial claims to the oceans extending beyond national coastlines. The United States is not a party to UNCLOS.

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[1] Rigzone, *Offshore Rig Search*, http://www.rigzone.com/data/advanced_search.asp.

[2] United Nations, *Oceans and the Law of the Sea: Division of Ocean Affairs and the Law of the Sea*, http://www.un.org/Depts/los/convention_agreements/convention_historical_perspective.htm#Historical Perspective.

[3] UNCLOS addresses several such issues as the exclusive economic zone, continental shelf, exploitation, technological prospects, universal participation in the convention, pioneer investors, protection of the marine environment, marine scientific research, and the settlement of disputes.

A. The Territorial Sea

UNCLOS defines the territorial sea as that expanse of ocean extending 12 nautical miles from baselines, which are also established under UNCLOS. UNCLOS specifies that each coastal state may exert sovereignty over its territorial sea, the air above the territorial sea, and over the seabed and subsoil extending below the territorial sea. Generally, the national law of a coastal state applies to all vessels and other operations within the territorial sea with certain exceptions. One notable exception is the coastal states' obligation to allow the ships of all nations "innocent passage" through their territorial seas, which is defined as passage of a foreign ship that is not prejudicial to the "peace, good order or security" of the coastal state. Another exception is the prohibition in UNCLOS against the extension to foreign ships traveling in a coastal state's territorial sea of the laws the coastal state applies to ships flying its flag regarding ship design, construction, and manning.

B. The Contiguous Zone

Under UNCLOS, a coastal state's contiguous zone is measured from the baselines to a distance out 24 nautical miles. Coastal states may exercise the control in the contiguous zone necessary to prevent violations of their customs, immigration, or pollution laws. An example of a permitted coastal state activity in the contiguous zone would be an operation to apprehend smugglers.

C. Exclusive Economic Zone

The EEZ is defined by UNCLOS to be an area of ocean extending out to 200 miles from the baselines. A coastal state's EEZ is subject to the legal framework established in UNCLOS. Under UNCLOS, a coastal state retains sovereign rights to explore, exploit, conserve, and manage the natural resources of its EEZ.

D. The United States and UNCLOS

Importantly, UNCLOS does not allow states to make reservations or exceptions to any of UNCLOS's provisions. Therefore, any state that becomes a party to UNCLOS must agree to be bound by every UNCLOS provision.

The United States, among other industrialized countries, expressed reservations over Part XI of UNCLOS, which deals with "The Area." The Area is defined by UNCLOS as that part of the ocean that lies beyond the jurisdiction of any state. UNCLOS provides that the resources found in The Area are the "common heritage of mankind" and that no state may claim sovereign rights over any portion of the Area. Further, UNCLOS provides that activities carried out in The Area shall be for the benefit of all mankind, taking into account the needs and interests of developing nations.

The Reagan administration expressed reservations about technology transfers and access to the resources in The Area by American business interests. However, the Reagan administration's

Ocean Policy Statement in 1983 announced that the United States would act in accordance with the rest of the provisions of UNCLOS.[4]

In 1994, the United Nations attempted to address the concerns of the United States and others by adopting an Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 addressing the technology sharing and other issues. By 1996, when the Agreement on Part XI entered into force, every major industrial nation except the United States had ratified the agreement. Despite high-level support from military, political, and business leaders, the full Senate failed to take up UNCLOS twice in the 110th Congress and the United States is still not a party to UNCLOS.[5]

II. Exploration, Development, and Production of Minerals on the Outer Continental Shelf (OCS)

A. Outer Continental Shelf Lands Act

Under the Outer Continental Shelf Lands Act (OCSLA), the OCS is defined to include "all submerged lands lying seaward and outside of an area of lands beneath navigable waters . . . and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control" (43 U.S.C. § 1331). OCSLA extends the "Constitution and laws and civil and political jurisdiction of the United States" to the "subsoil and seabed of the outer Continental Shelf and to all artificial islands, and all installations and other devices permanently or temporarily attached to the seabed, which may be erected thereon for the purpose of exploring for, developing, or producing resources therefrom, or any such installation or other device (other than a ship or vessel) for the purpose of transporting such resources, to the same extent as if the outer Continental Shelf were an area of exclusive Federal jurisdiction located within a State" (though mineral leases are governed by the provisions of OCSLA) (43 U.S.C. § 1333).[6]

B. Notice of Arrival on the OCS

Under 33 C.F.R. § 160.201-215, the Coast Guard requires all vessels intending to call on a U.S. port to notify the Coast Guard of the intended visit at least 96 hours prior to the vessel's arrival. The current notice of arrival requirements generally apply to:

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[4] Written testimony of John D. Negroponte, Deputy Secretary of the U.S. Department of State on Accession to the 1982 Law of the Sea Convention and Ratification of the 1994 Agreement Amending Part XI of the Law of the Sea Convention before the Senate Foreign Relations Committee (September 27, 2007).

[5] Seapower, *Odd Man Out: Will U.S. finally accede to the U.N. Convention on the Law of the Sea* (April 2009), http://www.seapower-digital.com/seapower/200904/?pg=15#pg15.

[6] OCSLA defines "exploration" as the "process of searching for minerals, including geophysical surveys where magnetic, gravity, seismic, or other systems are used to detect or imply the presence of such minerals and any drilling, whether on or off known geological structures, including the drilling of a well" (43 U.S.C. § 1331). The term "development" is defined as "those activities which take place following discovery of minerals in paying quantities, including geophysical activity, drilling, platform construction, and operation of all onshore support facilities," while "production" is defined to mean "those activities which take place after the successful completion of any means for the removal of minerals, including such removal, field operations, transfer of minerals to shore, operation monitoring, maintenance, and over-work drilling" (43 U.S.C. § 1331).

- All commercial vessels greater than 300 gross tons that intend to arrive at a port or place in the United States;
- All foreign vessels that intend to arrive at a port or place in the United States (regardless of size); and
- All vessels that intend to arrive at a port or place in the United States that are carrying Certain Dangerous Cargo in accordance with 33 C.F.R. § 160.204.

In 2006, section 109 of the SAFE Port Act required the Coast Guard to update and finalize a rulemaking within 180 days to expand the notice of arrival regulations to foreign vessels on the OCS. On June 22, 2009, the Coast Guard issued a Notice of Proposed Rulemaking (NPRM) to establish notice of arrival requirements for MODUs and other vessels planning to engage in OCS activities. The comment period for the NPRM ended September 21, 2009, but the final rule has not yet been issued.

This rulemaking specifically proposes that owners or operators of U.S.-flagged and foreign-flagged floating facilities, MODUs, and vessels engaging in OCS activities, with the exception of those U.S. units traveling directly from U.S. ports or places, notify the National Vessel Movement Center (NVMC) at least 96 hours before their intended arrival on the OCS. If voyage time to the OCS is less than 96 hours, then this rulemaking proposes shorter notice requirements. U.S. flag units arriving on the OCS directly from a U.S. port or place will not be required to submit the safety and security information proposed in this rule because the Coast Guard has greater maritime domain awareness over vessels coming from a U.S. port (as they will have previously submitted similar safety and security information items under 33 C.F.R. §§ 160.202(a) and 160.206, unless exempted under 160.203), and as such they are deemed to represent a comparatively lower safety and security risk.[7]

Presently, a MODU intending to engage in OCS activities is required to notify the District Commander in the area in which the unit will operate 14 days before its arrival; this requirement is partially intended to enable the Coast Guard to schedule the MODU for the examination it is required to undergo to receive the Certificate of Compliance that it requires to engage in OCS activities.[8] This regulation was the result a final rule entitled OCS Activities developed in response to enactment of OCSLA.[9]

C. Employment of Americans on the OCS

OCSLA required that "[w]ithin six months after September 18, 1978, the Secretary of the Department in which the Coast Guard is operating shall issue regulations which require that any vessel, rig, platform, or other vehicle or structure . . . which is used at any time after the one-year period beginning on the effective date of such regulations for activities pursuant to this subchapter, be manned or crewed . . . by citizens of the United States or aliens lawfully admitted to the United States for permanent residence" (43 U.S.C. 1356). However, OCSLA provided that this requirement does not apply "to any vessel, rig, platform, or other vehicle or structure if:

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[7] *Id.*

[8] *Notice of Arrival or relocation of MODUs on the OCS*, 33 C.F.R § 146.202.

[9] *Notice of Arrival on the ODC*, 33 C.F.R. § 146 (2009).

(A) specific contractual provisions or national registry manning requirements in effect on September 18, 1978, provide to the contrary;
(B) there are not a sufficient number of citizens of the United States, or aliens lawfully admitted to the United States for permanent residence, qualified and available for such work; or
(C) the President makes a specific finding, with respect to the particular vessel, rig, platform, or other vehicle or structure, that application would not be consistent with the national interest." (43 U.S.C. § 1356(c)).

Additionally, the requirement that U.S. citizens and permanent residents be employed on vessels, rigs, platforms, or other vehicles or structures on the OCS do not apply "to any vessel, rig, platform, or other vehicle or structure, over 50 percent of which is owned by citizens of a foreign nation or with respect to which the citizens of a foreign nation have the right effectively to control, except to the extent and to the degree that the President determines that the government of such foreign nation or any of its political subdivisions has implemented, by statute, regulation, policy, or practice, a national manning requirement for equipment engaged in the exploration, development, or production of oil and gas in its offshore areas" (43 U.S.C. § 1356(c)(2)).

The regulations implementing these provisions are found in 33 C.F.R. Part 141. Pursuant to 33 C.F.R. § 141.20, requests for exemptions from the requirements pertaining to the employment of U.S. citizens or permanent residents on vessels and facilities engaged in OCS activities must be in writing and must specify the grounds under which the exemption is sought.

The regulations specify that after receiving an exemption request specifically on the grounds that there are not a sufficient number of U.S. citizens or permanent residents to perform required labor, "the Coast Guard seeks information from the Department of Labor concerning whether there are citizens of the United States or resident aliens qualified and available for work" and "[i]f information is provided that citizens of the United States or resident aliens are qualified and available, the employer may be required to seek their employment before the request is approved" (33 C.F.R. § 141.20). If the Coast Guard does not make a determination on a request for an exemption based on lack of a sufficient number of U.S. citizens and resident aliens available for work within 30 days of the receipt of the request or advise the entity making the request that the Coast Guard requires additional time to consider the request, "the request is considered approved for a period of 90 days from the end of the 30 day period" (33 C.F.R. § 141.20).

In Navigation and Vessel Inspection Circular (NVIC) 7-84, issued on August 7, 1984, the Coast Guard provides additional details on the procedures it follows when considering exemption requests. This NVIC specifies that an owner/operator who believes his/her vessel, rig, platform, or other vehicle or structure engaged in commerce on the OCS is eligible for an exemption from the employment requirements created by OCSLA for any reason provided under statute "must submit the necessary information to the Commandant . . . in order for a determination to be made" and that "no unit will be granted an exemption until it has been demonstrated to the Commandant's satisfaction that the unit is indeed eligible for exemption from the citizenship requirements."[10]

Requests for exemptions must be submitted at least 30 days prior to the start of a project on the OCS and are not considered complete unless they include:

[10] NVIC No. 7-84 (August 7, 1984), at 7.

- "a detailed job description, with list of qualifications, for each position requiring a waiver;"
- A list of experience factors if there is a seniority relationship among positions for which the exemption is sought (e.g., a position description for a senior position would be expected to require more experience from candidates than a description for a more junior position); and
- "[d]ocumented proof of attempts to find employees through normal private sources including advertisements in widely circulated newspapers for at least three days."[11]

Additionally, those seeking the exemption must include "by position, a summation of numbers of applications received, numbers of interviews granted, numbers hired, and reasons workers not qualified" [sic.] as well as a description of a training program maintained by the owner/operator that shows "their intended efforts to train U.S. citizens for employment on the Shelf."[12]

If an exemption is granted, it is valid for one year and must be reapplied for if continued exemption is sought; if a reapplication is submitted, the reapplication must include new evidence of the effort over the past year to identify U.S. workers through advertisement.

The NVIC notes that "[t]he Labor Department estimates that once initial information is provided to them it will take approximately 60 days for DOL to process the exemption request. Therefore, in order to assure a timely response, it is recommended that requests be submitted at least 90 days in advance of a project start up date."[13]

The chart below summarizes the number of firms and positions for which exemptions were granted in the specified years.

Exemptions to Requirements Pertaining to the Employment of U.S. Citizens and Resident Aliens on the OCS

Year	Number of exemption requests granted	Number of positions covered by granted exemption requests
2008	24	2,625
2009	20	2,177
2010	10	944
TOTAL	**52**	**6,690**

Source: U.S. Coast Guard

III. Vessel Registration

A vessel is subject to the laws of the country in which it is registered or "flagged." UNCLOS requires each flag state to "exercise its jurisdiction and control in administrative, technical and social matters over ships flying its flag."[14] A flag state exercises control over ships flying its flag

[11] *Id.* at 2-3.
[12] *Id.* at 3.
[13] *Id.*
[14] UNCLOS, Article 94, *Duties of the Flag State*, para. 1.

through its national laws and requirements, which should conform to appropriate international conventions.

A. The U.S. Flag

To flag a vessel in the United States (i.e., to receive a certificate of documentation from the United States), a vessel must be owned by:

- An individual who is a citizen of the United States.
- An association, trust, joint venture, or other entity if:
  - Each of its members is a citizen of the United States; and
  - It is capable of holding title to a vessel under the laws of the United States or a state.
- A partnership if:
  - Each general partner is a citizen of the United States; and
  - The controlling interest in the partnership is owned by citizens of the United States.
- A corporation if:
  - It is incorporated under the laws of the United States or a State;
  - Its chief executive officer, by whatever title, and the chairman of its board of directors are citizens of the United States; and
  - No more of its directors are noncitizens than a minority of the number necessary to constitute a quorum (46 U.S.C. § 12103).

Further, if a vessel flies the U.S. flag, the vessel must be crewed by Americans. Thus, under 46 U.S.C. § 8103, "only a citizen of the United States may serve as a master, chief engineer, radio officer, or officer in charge of a deck watch or engineering watch on a documented vessel" (meaning a vessel registered in the United States.) (46 U.S.C. § 8103(a)). Further, this title provides that "each unlicensed seaman must be a citizen of the United States, an alien lawfully admitted to the United States for permanent residence, or a foreign national who is enrolled in the United States Merchant Marine Academy" (46 U.S.C. § 8103(b)(1)). Additionally, "not more than 25 percent of the total number of unlicensed seamen on the vessel may be aliens lawfully admitted to the United States for permanent residence" (46 U.S.C. § 8103(b)(1)(B)).

However, pursuant to title 46, the Coast Guard may waive these citizenship requirements for crew members on U.S.-flagged vessels – except the requirement applying to the master of the documented vessel – with respect to "an offshore supply vessel or other similarly engaged vessel of less than 1,600 gross tons," "a mobile offshore drilling unit or other vessel engaged in support of exploration, exploitation, or production of offshore mineral energy resources operating beyond the water above the outer Continental Shelf . . .," and "any other vessel if the Secretary determines, after an investigation, that qualified seamen who are citizens of the United States are not available" (46. §U.S.C. 8103).

A vessel **does not** have to be built in the United States to be flagged in the United States. In fact, according to the Maritime Administration (MARAD), as of March 1, all 94 of the vessels flagged in the United States and engaging in the foreign trade were built overseas.

A vessel that is flagged in the United States can seek a registry endorsement, which authorizes the vessel to "engage in foreign trade or trade with Guam, American Samoa, Wake,

Midway, or Kingman Reef" (46 U.S.C. § 12111). Importantly, if a vessel seeking the registry endorsement is owned by a trust, the beneficiaries of the trust are not required to be citizens of the United States if the trust meets the following requirements:

- each trustee is a citizen of the United States; and
- the application for documentation of the vessel includes the affidavit of each trustee stating that the trustee is not aware of any reason involving a beneficiary of the trust that is not a citizen of the United States, or involving any other person that is not a citizen of the United States, as a result of which the beneficiary or other person would hold more than 25 percent of the aggregate power to influence or limit the exercise of the authority of the trustee with respect to matters involving any ownership or operation of the vessel that may adversely affect the interests of the United States (46 U.S.C. § 12111).

B. The Jones Act

All foreign-flagged vessels are prohibited from carrying domestic commerce. Further, vessels that merely fly the U.S. flag and hold a registry endorsement are **not** therefore also eligible to engage in domestic commerce (i.e., to carry merchandise between two points in the United States). If a vessel registered in the United States wants to carry merchandise between two points in the United States, the vessel must also obtain what is known as the coastwise endorsement demonstrating its compliance with the requirements of chapter 55 of title 46, popularly known as the Jones Act.

The United States has a long history of cabotage protection, or the protection of domestic shipping between points in the United States. In 1817, Congress passed *An Act Concerning the Navigation of the United States*, which required that only vessels flagged in the United States could carry domestic commerce; at that time, only ships built in the United States could register in the United States.

The tradition of cabotage protection is currently enshrined in the Jones Act, section 27 of the Merchant Marine Act of 1920, which states that "a vessel may not provide any part of the transportation of merchandise by water, or by land and water, between points in the United States to which the coastwise laws apply, either directly or via a foreign port" unless the vessel is built in the United States, crewed by Americans, and owned by Americans (46 U.S.C. § 55102; see also 46 U.S.C. Part 121).

Further explanation of what constitutes a coastwise movement is provided in 19 C.F.R. § 4.80(b), which states that

> [a] coastwise transportation of merchandise takes place, within the meaning of the coastwise laws, when merchandise laden at a point embraced within the coastwise laws (coastwise point) is unladen at another coastwise point, regardless of the origin or ultimate destination of the merchandise. However, merchandise is not transported coastwise if at an intermediate port or place other than a coastwise point (that is at a foreign port or place, or at a port or place in a territory or possession of the United States not subject to the

> coastwise laws), it is manufactured or processed into a new and different product, and the new and different product thereafter is transported to a coastwise point.

Thus, in summary, vessels that merely fly the U.S. flag and engage in foreign commerce must be owned and crewed by Americans. Vessels flagged in the United States that want to engage in the U.S. domestic commerce must be owned and crewed by Americans and must also be built (and rebuilt) in the United States. Evidence that a vessel meets the requirements of the Jones Act and is therefore eligible to carry U.S. domestic commerce is attested through the issuance to the vessel of the coastwise endorsement.

Importantly, when OCSLA extended the "Constitution and laws and civil and political jurisdiction of the United States" to the "subsoil and seabed of the outer Continental Shelf and to all artificial islands, and all installations and other devices permanently or temporarily attached to the seabed, " this included an extension of the Jones Act. Therefore, structures and facilities attached temporarily or permanently to the sea floor are treated as points in the United States and vessels traveling between such points or between such points and U.S. ports are subject to the requirements of the Jones Act. However, vessels (including MODUs) that operate on the OCS (including by becoming temporarily or permanently attached to the U.S. OCS) are **not** subject to the Jones Act so long as they do not transport merchandise or valueless material between two U.S. points.

C. Open Registries

Some countries operate so-called "open registries" or "flags of convenience" to entice shipowners to their registries with incentives, such as low registration fees and taxes, low operating costs, and permissive regulatory regimes. Such registries may subject shipowners to less stringent financial reporting requirements than other registries require, permit shipowners to easily transfer their ships into and out of their registries, and generally do not require that shipowners employ individuals who are nationals of the registry state. Additionally, open registries often allow shipowners to have their ships inspected by classification societies in-lieu of a government inspection; classification societies are organizations that perform surveys and certify compliance with international conventions.

The difference in crewing costs between the employment of U.S.-citizen mariners and mariners from some other countries can be substantial. For example, according to the MARAD, as of 2005, the annual cost to crew a 20-year-old bulk carrier under an open register was less than $700,000 per year. Crewing costs for the same ship employing U.S. mariners were more than $3 million per year. This is due to the higher wages U.S. mariners earn and the costs associated with providing healthcare and pension benefits to U.S. mariners.

Other operating costs may be lower under open registries as well. U.S.-flag operators typically incur higher insurance premium costs due to the increased risk of litigation in the United States. Further, open registries generally allow the vessels flying their flags to obtain vessel repairs in any country; by contrast, if a U.S.-flagged vessel is repaired in a foreign shipyard rather than a U.S. shipyard, the operator is charged a 50 percent ad valorem customs duty on these foreign repairs.

According to MARAD, there were 12 nations operating open registries in 2005. The largest were Panama, Liberia, the Bahamas, Malta, and Cyprus. About half of the world's fleet is registered under open registries.

In response to the lower operating cost associated with open registries, some nations have developed so-called "international" or "second" registries. International registries offer shipowners the advantage of registering their ships in industrially advanced nations while operating under tax and regulatory environments similar those of open registries.

Norway, for example, operates an international registry known as the Norwegian International Ship Register (NIS). The NIS is open to both Norwegian and foreign "self-propelled passenger and cargo ships and hovercraft, as well as drilling platforms and other movable installations," so long as a foreign-owned ship is operated by a Norwegian company.[15] Ships registered under the NIS are subject to Norwegian Maritime Law, which conforms to the international standards set forth by the International Maritime Organization (IMO), but are offered some exemptions which offer incentives to register under the NIS. For example, the NIS only requires that ships pay a tonnage tax and does not tax the income made from shipping activities. Additionally, the NIS does not require that crewmembers (except the captain) serving aboard Norwegian ships be Norwegian, nor does it establish a minimum wage for crewmembers.[16]

Certain restrictions, however, do apply to the activities in which NIS-registered vessels may engage. Similar to the provisions set forth in the Jones Act, NIS-registered vessels may not transport "cargo or passengers between Norwegian ports or engage in regular scheduled passenger transport between Norwegian and foreign ports" (note that "oil and gas installations on the Norwegian continental shelf are regarded as Norwegian ports").

The NIS has been successful in retaining and attracting Norwegian-owned as well as foreign-owned ships to fly the Norwegian flag. Further, in 2007, Norwegian tax law was changed to offer further incentives, such as the tax-exemption on income generated by shipping activities as discussed above.[17] Between 2007 and 2008, Norway saw a 27 percent increase in the gross tonnage of Norwegian-owned vessels registered in the NIS and an overall increase of 4.8 percent in the gross tonnage of all ships registered in the NIS.[18]

France and Denmark have also established second registries. MARAD reports that in 2005, 17 percent of the world fleet operated under international registries.

IV. Rights and Duties of Flag and Port States

UNCLOS states that "[s]hips have the nationality of the state [flag state] whose flag they are entitled to fly." As such, a ship must comply with the laws of its flag state and relevant international laws. Flag states exercise jurisdiction over ships under their registries in areas of administrative,

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[15] GRETTE, *The Norwegian International Ship Register* (February 8, 2010), http://www.grette.no/en/Co-workers/Cato-Myhre/The-Norwegian-International-Ship-Register.

[16] *the Norwegian International Ship Register*, http://www.nis-nor.no/upload/nis_brosjyre.pdf.

[17] GRETTE, *The Norwegian International Ship Register* (February 8, 2010), http://www.grette.no/en/Co-workers/Cato-Myhre/The-Norwegian-International-Ship-Register.

[18] Statistics Norway, *The Merchant Fleet 2008*(August 11, 2009), http://www.ssb.no/handelsfl_en.

technical, and social matters. Specifically, flag states are required to take measures to ensure that ships under their registries are:

1. Constructed, equipped, and seaworthy to ensure safety at sea;
2. Manned and managed with respect to labor conditions and crew training taking into account international codes and conventions;
3. Surveyed by qualified surveyors of ships;
4. Operated in the charge of qualified masters and that officers and crews are qualified for the type, size, machinery and equipment of the ship; and
5. Operated by masters, officers and crew members who observe international regulations regarding safety of life at sea; the prevention of collisions; the prevention, reduction and control of marine pollution; and communications at sea.

Any state that believes a ship is operating without proper jurisdiction or control by its flag state may report the facts to the flag state. Flag states are required to investigate these reports and take appropriate action. In addition, every flag state is required to investigate marine casualties on the high seas involving ships under its register that result in: loss of life, serious injuries to citizens of another state, or serious damage to ships or installations of another state or to the marine environment.

A. Coast Guard Inspections of U.S.-flagged Vessels

The Coast Guard is responsible for inspecting all aspects of vessels flagged in the United States, including carrying out the tests and surveys necessary to issue the statutory certificate which certifies that the vessel complies with U.S. law and all of the applicable requirements of international conventions. In the United States, this statutory certificate is known as the Certificate of Inspection (COI).

A COI describes the vessel to which it has been issued, the route(s) that the vessel may travel, the minimum manning requirements for the vessel, the survival and rescue craft carried by the vessel, the minimum fire extinguishing equipment and lifejackets required to be carried by the vessel, the maximum number of passengers and total persons that may be carried by the vessel, the number of passengers the vessel may carry in overnight accommodation spaces, and the COI's period of validity (46 C.F.R. § 176.103). Issuance of this certificate is dependent upon the satisfactory completion by the vessel of an inspection for certification and a vessel's retention of its COI depends upon the continued maintenance of the vessel in a safe operating condition in accordance with the requirements of the COI.

To obtain a COI, a U.S. vessel's owner must submit a completed "Application for Inspection of U.S. Vessel" to the Coast Guard Officer-in-Charge, Marine Inspection (OCMI) of the marine inspection zone in which the inspection is to be conducted. Pursuant to 46 C.F.R. § 176.105, an application of initial inspection for a vessel being newly constructed or converted must be submitted prior to the start of the construction or conversion. The construction, arrangement, and equipment of each vessel must then be approved by the local OCMI before an initial COI is issued. Approval of a COI will be based on the information, specifications, drawings, and calculations available to the OCMI, and on the successful completion of an initial inspection for certification (46 C.F.R. § 176.105(c)).

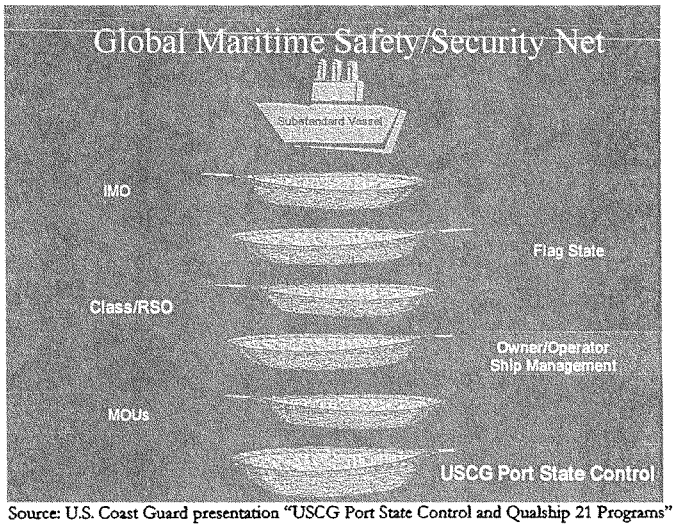
B. Coast Guard Port State Control Inspections and Certificates of Compliance

When a foreign-flagged vessel calls on a U.S. port, the Coast Guard does not generally perform flag state level inspections (as are done on U.S.-flagged vessels) on the foreign-flagged vessel if the vessel's flag state has an inspection and certification program approximating that of the United States and if the flag state is a party to the International Convention for Safety of Life at Sea to which the United States Government is a party (46 U.S.C. §3303). Under this circumstance, the Coast Guard conducts what is known as a Port State Control (PSC) inspection, which is meant only to verify that the foreign-flagged vessel is operating in compliance with the statutory certificate issued to it by its flag state, is operating in compliance with the requirements of all applicable international conventions, and that crew training on and performance of such routines as lifesaving and firefighting drills meet relevant standards. However, special inspection requirements over and above PSC exam requirements apply to foreign-flagged tank vessels, passenger vessels, and MODUs as described below. PSC exams are not performed on vessels that do not enter the U.S. territorial seas; this, vessels in the EEZ that never enter the territorial sea are not subject to PSC exams.

The Coast Guard's Marine Safety Manual[19] states that "[p]ort State control is the process by which a nation exercises its authority over foreign vessels when those vessels are in waters subject to its jurisdiction. This authority is derived from several sources both domestic and international. A nation may enact its own laws and regulations imposing requirements on foreign vessels trading in its waters (i.e. the double hull requirements imposed under the Oil Pollution Act of 1990 (OPA 90) (P.L. 101-380), or the navigation safety regulations found in 33 C.F.R. Part 164). In addition, nations that are party to certain international conventions are empowered to verify that vessels of other nations operating within their waters comply with these conventions, and to take action to bring these ships into compliance if they do not." The PSC is one of many "safety nets" to the Global Maritime Safety and Security Net[20] as illustrated below:

[19] Marine Safety Manual, Vol. II: Materiel Inspection, Section D: Port State Control, Chapter 1: General Aspects of Port Sate Control Examinations, Part B Background.

[20] Powerpoint Presentation Presented by the U.S. Coast Guard, *USCG Port State Control and Qualship 21 Programs* Vetting/Chemical Seminar, Houston, Texas (March 15, 2006), www.intertanko.com/upload/presentations/CDR%20ThomPSC.ppt.



Source: U.S. Coast Guard presentation "USCG Port State Control and Qualship 21 Programs"

Through the PSC Program, the Coast Guard targets physical boardings toward those vessels that are most likely to be substandard or out of compliance with their statutory certificates or applicable international law based on identified risk factors. When a PSC exam reveals questionable equipment, systems, or crew competency issues, the Coast Guard expands the exam as necessary to determine whether a deficiency exists. The inspector may require additional tests, inspections, or crew drills to the extent deemed necessary to determine whether or not a deficiency exists. When deficiencies exist, the Coast Guard documents these deficiencies on a "PSC Report of Inspections and/or Deficiencies" (Form CG-5437 A/B), and mandates correction of the deficiencies. Depending on the severity of the deficiencies, the Coast Guard may detain[21] a vessel or curtail vessel operations as appropriate until the deficiencies are corrected.

The Coast Guard has indicated to the Subcommittee that the scope of its PSC exams for all foreign-flagged vessels exceeds current international guidelines for PSC. Further, current Coast Guard PSC exams include inspection and equipment tests and emergency drill requirements far beyond those required by other PSC regimes.

Foreign-flagged tank vessels are prohibited from operating in U.S. waters unless they have a certificate of compliance (COC) [which can also be known as a letter of compliance (LOC)] issued by the Coast Guard. Pursuant to 46 U.S.C. § 3711, a COC may be issued "only after the vessel has been examined and found to be in compliance with this chapter and regulations prescribed under

[21] A detention is an intervention action taken by the port state when the condition of the ship or its crew does not correspond substantially with the applicable conventions to ensure that the ship will not sail until it can proceed to sea without presenting a danger to the ship or persons on board, or without presenting an unreasonable threat of harm to the marine environment. Detentions may be carried out under the authority of SOLAS 1974 as amended, Regulation 19; ICLL Article 21; MARPOL Article 5; STCW Article X and Regulation 1/4; ILO 147 Article 4; the Ports and Waterways Safety Act; or a U.S. Customs hold.

this chapter" and the Coast Guard "may accept any part of a certificate, endorsement, or document, issued by the government of a foreign country under a treaty, convention, or other international agreement to which the United States is a party, as a basis for issuing a certificate of compliance." As explained by Congress when enacting this language, "[t]his means that the Secretary does not have to accept foreign certificates as evidence of compliance, but may take additional action to assure compliance with applicable domestic laws and regulations and international treaty provisions."[22]

Similar to tank vessels, and as previously discussed, a MODU must also undergo a detailed examination and receive a COC before it can operate on the OCS. Additional U.S. provisions governing the operation of MODUs on the OCS are discussed in more detail below.

Regarding foreign flagged passenger vessels, U.S. law states:

> Notwithstanding section 3303 of this title, a foreign vessel carrying a citizen of the United States as a passenger or embarking passengers from a United States port may not depart from a United States port if the Secretary finds that the vessel does not comply with the standards stated in the International Convention for the Safety of Life at Sea to which the United States Government is currently a party (46 U.S.C. 3305).

Pursuant to the authority of section 3305, the Coast Guard conducts rigorous PSC oversight of foreign-flagged passenger ships operating into U.S. ports with U.S. passengers to ensure safety and environmental compliance. For cruise ships, the Coast Guard issues such vessels a control verification examination (CVE) certificate, valid for one year, upon successful completion of a control verification examination. In addition to an annual inspection, the Coast Guard conducts inspections every three months as part of the CVE process. During these exams, Coast Guard inspectors assess key safety features such as fire doors, centralized smoke detection systems, sprinklers, lifeboats, life rafts, watertight doors, and navigation equipment. These reviews also include observation and critique of emergency drills. In addition to these recurring inspections, the Coast Guard conducts an initial plan review of a new cruise vessel prior to construction, conducts shipyard inspections during construction, and conducts an initial inspection upon shipyard delivery prior to embarkation on the cruise vessels of U.S. passengers.

PSC exams are conducted on all other foreign-flagged freight vessels but the Coast Guard does not issue a COC upon completion of a satisfactory exam to such vessels. Instead, only the "PSC Report of Inspection and/or Deficiencies" is issued to document the completion of a PSC exam on a foreign-flagged freight vessel.

C. Classification Societies

Classification societies are organizations that perform surveys and certify compliance with international conventions. A classification society can also be delegated authority by a flag state to conduct certain required vessel examinations on behalf of the flag state; when operating in this capacity, the classification society is know as a recognized organization (RO).

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[22] H.R. Rep. No. 98-338 (1983), reprinted in 1983 U.S.C.C.A.N. 924, 964.

Under 46 U.S.C. § 3316, 46 C.F.R. §§ 8.130 and 8.230, the Commandant of the Coast Guard may delegate authority to a classification society to issue certain international convention certificates to U.S.-flagged vessels and to review ship construction plans; however, the Coast Guard retains sole authority to issue a vessel's COI. Further, the Coast Guard has not delegated to any classification society the authority to conduct any part of a PSC exam.

V. U.S. Tax Collections from OCS Operations

The Congressional Research Service provided to the Subcommittee a summary of taxation enforcement issues arising from foreign-flagged vessels operating in the United States in support of petroleum exploration and production activities.

According to CRS, foreign corporations engaged in a U.S. trade or business are taxed on income that has a sufficient nexus to the United States, i.e., any income that is effectively connected with trade or business conducted in the United States. Foreign corporations are taxed under such circumstances and at a rate and in a manner analogous to the treatment of a U.S. corporation.

In addition, in instances in which a foreign corporation's income is not "effectively connected," there are other taxation provisions that apply. For example, there is a 30 percent withholding tax, applicable to foreign corporations, for fixed or determinable annual or periodic income (for example dividends, interest, rental income, and royalties). Similarly, under tax rules applicable to transportation, a foreign corporation is subject to a four percent withholding tax on its U.S. gross transportation income (calculated as 50 percent of transportation income attributable to international transportation that either begins or ends in the United States). However, in some instances, either pursuant to treaty or the tax code, foreign corporations are not subject to these taxes if, generally, U.S. corporations would enjoy similar advantages under the laws of the country in which the foreign corporation is registered.

The Internal Revenue Service (IRS) has begun to focus on foreign vessels working in the oil and gas industry to assess whether there are instances of non-compliance on the part of such vessels with U.S. tax filing requirements. For example, foreign-flag vessels engaged in providing technical services (seismographic, drilling, repair or construction expertise and equipment) on the OCS should be treating this activity, for U.S. tax purposes, as U.S.-sourced taxable income. Similarly, such work on the OCS would not qualify as international transportation income or fall within international tax treaties governing such activity. In October 2009, the IRS issued a directive on this matter, and has formulated an issue management team to examine IRS's coordination of issues related to tax collections from vessels working on the OCS.

VI. The *Deepwater Horizon*

The *Deepwater Horizon* is a fifth generation MODU; it is owned by Transocean Ltd. Due to causes and in circumstances still under investigation, the *Deepwater Horizon* suffered an explosion on April 20, 2010 apparently resulting from a blowout in the well it was drilling at the Macondo exploration site in an area of the Gulf of Mexico known as the Mississippi Canyon Block 252 (MC 252). At the time of the explosion, the *Deepwater Horizon* was leased by BP p.l.c. (BP), which owns a majority stake in the MC 252 site and had contracted the rig to drill a prospect well. Following the

explosion, the MODU sank on April 22. Eleven individuals who had been working on the *Deepwater Horizon* were killed in this accident.

A. United States Laws and Regulations Pertaining to MODU Operations

MODUs that are flagged in the U.S. must meet the requirements of 46 C.F.R. § 107.231 to receive a COI. After receiving the COI, U.S.-flagged MODUs must undergo an annual inspection within the three months before or after each anniversary date of the COI and a periodic inspection. Generally, these examinations are equivalent to the examination leading to the issuance of a COI, but for the second or third anniversary, a MODU may undergo what is known as a periodic rather than an annual exam; period exams are slightly less rigorous than annual exams.[23] In addition, a U.S.-flagged MODU must be drydocked in the presence of a Coast Guard inspector at least once during each 24-month period after it is issued a COI unless it has a special examination exemption under 46 C.F.R. § 107.261. MODUs operating on the U.S. OCS are also required to have annual on-site inspections, in accordance with OCLSA (43 U.S.C. § 1331, et. seq.).

In addition to complying with the *1989 IMO Code*[24] and the laws of its flag state, foreign MODUs operating on the OCS of the United States must comply with certain U.S. regulations. Subchapter N of Title 33 C.F.R. – Outer Continental Shelf Activities, and Subchapter I-A of Title 46, Mobile Offshore Drilling Units, contain regulations that apply to all MODUs. Specifically, Subchapter N requires operators of foreign-flagged MODUs to comply with the U.S. regulations relating to MODUs contained in 46 C.F.R. I-A.

U.S. regulations provide operators of foreign-flagged MODUs with three options for compliance with U.S. federal regulations. The options require compliance with the design, equipment, and operating standards:

1. Prescribed in 46 C.F.R. Parts 108 (Design and Equipment) and 109 (Operations);[25] or
2. Prescribed by the flag state if the standards provide a level of safety that is equivalent to that provided by 46 C.F.R. Parts 108 and 109; or
3. Contained in the IMO's Code for the Construction and Equipment of Mobile Offshore Drilling Units provided by IMO Assembly Resolution A. 414(XI).[26]

The *Deepwater Horizon* was registered in the Republic of the Marshall Islands (RMI) and was subject to that country's national legislation. The Office of the Maritime Administrator of the RMI publishes *Mobile Offshore Drilling Unit Standards* (*RMI Standards*), which contain the RMI's standards for the construction, equipment, arrangement, and operation of MODUs. The *Deepwater Horizon*

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[23] 46 C.F.R. § 107.269 and 107.270.

[24] 1989 IMO Code stands for the Construction and Equipment of MODUs.

[25] 46 C.F.R. Part 108 – Design and Equipment contains the U.S. regulations for MODUs with respect to construction and arrangement, stability, fire extinguishing systems, life saving equipment, cranes, equipment markings and instructions, and several miscellaneous items.
46 C.F.R. Part 109 – Operations contains the U.S. regulations for MODUs with respect to tests, drills and inspections, operation of safety equipment, reports, notifications and records, emergency signals, cranes, and several miscellaneous items.

[26] It should be noted that the IMO Assembly resolution incorporated by reference in Subchapter N is the IMO's 1979 MODU code and not the one that applies to the *Deepwater Horizon*.

was operating on the U.S. OCS under Option C; therefore, it was required to operate in compliance with the *1989 IMO Code* and the *RMI Standards*.

According to Part VI of the *RMI Standards*, the Coast Guard issued a letter dated August 9, 2002 that recognizes the *RMI Standards* as sufficient to provide a level of safety equivalent to the international and U.S. requirements for operating on the OCS.[27]

The American Bureau of Shipping (ABS), a classification society, serves as the RO for the Marshall Island; ABS surveyed the *Deepwater Horizon* on behalf of the RMI. According to information provided by the Coast Guard, ABS last surveyed *Deepwater Horizon* in 2006. *Deepwater Horizon* was not due for another full survey until 2011;[28] however, ABS reports that it was last aboard the *Deepwater Horizon* to perform an annual (interim) survey in February 2010.

The U.S. Coast Guard is responsible for verifying that a foreign MODU meets the requirements of Option C and any additional requirements under U.S. regulations. To verify compliance, the OCMI in whose zone the MODU will operate may inspect the MODU. Once the Coast Guard determines, through inspection or otherwise, that a MODU meets applicable requirements, the Coast Guard issues a COC.

Coast Guard policy with respect to the issuance of COC is provided in NVIC 3-88, change 1, *Issuance of Letters of Compliance to Foreign Documented Mobile Offshore Drilling Units Operating on the Outer Continental Shelf of the United States (NVIC 3-88)*.[29] The guidance in *NVIC 3-88* instructs owners of foreign-flagged MODUs to contact the OCMI in whose zone the MODU will be operating to apply for a COC. The owner must submit the required documentation,[30] schedule and pass an inspection, and pay the required fee before the OCMI may issue the COC. COCs are valid for two years (but annual inspections are required) or until the MODU departs the U.S. OCS, whichever occurs first. A MODU may not operate in U.S. waters until it has a valid COC.

Among other things, COCs specify the maximum number of persons permitted aboard the MODU and the minimum number of certified lifeboatmen that must be on the MODU. The OCMI may issue a COC even if an inspection finds certain deficiencies. In such a case, the COC is issued along with a letter providing a reasonable period for correcting specified deficiencies. No COC may be issued for deficiencies involving firefighting or lifesaving equipment.

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[27] RMI, *Mobile Offshore Drilling Unit Standards* (MI-293)(August 2002), at 17

[28] U.S. Coast Guard, *U.S. Coast Guard's Maritime Information Exchange: Port State Information Exchange*, http://psix.uscg.mil/PSIX/PSIXDetails.aspx?VesselID=33177.

[29] NVICs provide guidance to U.S. Coast Guard personnel and the regulated community regarding enforcement and compliance with Federal marine safety regulations. NVICs do not have the force of law, but they are important "tools" to enable regulated parties to comply with the law. NVICs are issued by the Assistant Commandant for Marine Safety, Security, and Environmental Stewardship and address any of a wide variety of subjects, including: vessel construction features; mariner training and licensing requirements; inspection methods and testing techniques; safety and security procedures; requirements for certain Coast Guard regulatory processes; manning requirements; equipment approval methods; and special hazards. U.S. Coast Guard, *Navigation and Vessel Inspection Circulars (NVIC): Background Information* (May 11, 2010), http://www.uscg.mil/hq/cg5/nvic/.

[30] Required documentation includes: IMO MODU Code Certificate issued by the flag state or an authorized agent. In the case of the *Deepwater Horizon*, ABS, as an authorized agent of the Marshall Islands, issued the IMO MODU Certificate; and International Load Line certificate; Certificate of Financial Responsibility; International Pollution Prevention certificate; and National Pollution Discharge Eliminations System permit when drilling.

Part VI of the *RMI Standards* provides a subpart that restates the general requirements for applying for a COC from NVIC 3-88. It also provides a subpart, referred to as a supplement, that relates to very specific requirements regarding such matters as crew citizenship, inspections, navigation safety, testing and inspection of pressure vessels, testing and inspection of lifesaving equipment, testing and inspection of fire fighting equipment, provision of hospital spaces and first aid, and electrical wiring in hazardous areas. Part VI also includes a statement that the OCMI may require additional or specialized equipment if uniquely hazardous circumstances not addressed by existing standards are present.

Before the OCMI issues a COC, Coast Guard inspectors ensure that the unit and its equipment are being maintained to the standards of the applicable IMO MODU Code. To ensure such maintenance, Coast Guard inspectors board the MODU and physically inspect the MODU's documents and equipment.[31] Foreign MODUs must possess a valid IMO MODU Code Certificate issued by the flag state and inspectors examine other required documents to establish their validity.

The Coast Guard conducted an initial examination of the *Deepwater Horizon* in 2001 and issued its COC on August 15, 2001. It subsequently underwent annual Coast Guard examinations.

B. Marshall Islands' Requirements for Minimum Safe Manning of Ships

Because the *Deepwater Horizon* was flagged in the Marshall Islands, it was subject to the manning laws imposed by the Marshall Islands. Marine Notice No. 7-038-2, Rev. 12/09 (Manning Notice), issued by the Office of the Maritime Administrator of the Marshall Islands, provides the requirements for minimum safe manning for vessels under the Marshall Islands flag subject to "the governing principle that the Master is at all times responsible for the safe operation of his ship."

The Manning Notice provides basic manning requirements for ships (including MODUs) according to their size, type, and level of automation. The Marshall Islands determines minimum deck crew manning by assessing the size of the vessel and the arrangement of crew accommodations and internal communications systems. Engine room manning is determined by the kilowatt power generated by main propulsion and auxiliary machinery.

Reductions from the basic manning levels are permitted for MODUs in accordance with the duration of the MODU's voyage and whether the MODU is considered "on location," performing a "field move," or "underway." The RMI's MODU Standards, MI-293, Part II, defines a "field move" as "[t]he on location repositioning of a unit, up to 20 miles in distance or 8 hours in duration, under the cognizance of an STCW Convention licensed Master or Mate." "On location" is not defined. Further, the Marine Notice permits reductions from prescribed underway manning scales for MODUs if the MODU is a Dynamically Positioned Vessel (DPV)[32] and taking into account the operating status of the MODU. Annex I provides the Marshall Islands' different manning requirements for MODUs.

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[31] Coast Guard personnel have informed Subcommittee staff that the inspections they perform aboard foreign MODUs are not materially different than inspections they perform aboard U.S.-flagged MODUs.

[32] The Nautical Institute describes dynamic positioning as "A computer control system [that] automatically maintains a vessel's position and heading by using her own propellers and thrusters. Position reference sensors, combined with wind sensors, motion sensors and gyro compasses, provide information to the computer pertaining to the vessel's position and the magnitude and direction of environmental forces affecting its position."

In written testimony before the House Judiciary Committee on May 27, 2010, Chief Mechanic and Acting Second Engineer, Douglas Brown testified that the manning level aboard the *Deepwater Horizon* had been "decreased significantly" since Mr. Brown had been assigned to the vessel in 2002. In 2002, when he came aboard the *Deepwater Horizon*, the complement of engineering crew aboard the vessel stood at, 1-Chief Engineer, 1-1st Engineer, 1-2nd Engineer, 1-3rd Engineer, and 2-Motormen. According to Mr. Brown, at sometime in 2003, the 1st Engineer's position was eliminated and the engineering crew was reduced to 1-Chief Engineer, 1-2nd Engineer, and 1-Motorman. Later in 2003, a 1st Engineer was added back into the engineering crew but the position only covered one shift.[33]

Mr. Brown testified that due to these manning cuts, "we were often days, weeks and even months behind in completing the necessary preventive maintenance (PM) requirements."[34]

C. The *International Management Code for the Safe Operation of Ships and for Pollution Prevention* and MODUs Under the Marshall Islands Flag

According to the MODU Standards of the Marshall Islands (MI-283 Rev. 8/02), MODUs under the Marshall Islands flag are required to comply with the *IMO's International Management Code for the Safe Operation of Ships and for Pollution Prevention* (ISM Code).

The ISM Code is contained in Chapter IX of the International Convention for the Safety of Life at Sea (SOLAS). The Preamble of the ISM Code states that the purpose of the ISM code is to establish "an international standard for the safe management and operation of ships and for pollution prevention." The Preamble also states that "[t]he cornerstone of good safety management is commitment from the top. In matters of safety and pollution prevention it is the commitment, competence, attitudes and motivation of individuals at all levels that determines the end result."

There are several key provisions that establish the company's responsibilities contained in the ISM Code. The company's safety management goals should include: providing for safe practices and a safe working environment; establishing safeguards against identified risks; continuous improvement in safety management skills; and compliance with mandatory rules and regulations.

Under the ISM Code, companies should establish a safety management system that includes:

1. Policies regarding safety and environmental protection;
2. Defined levels of authority between shore and shipboard personnel; and
3. Procedures for reporting accidents and non-conformities.

The ISM Code also states that companies should define and document the responsibilities, authorities and the relationships with respect to safety of all persons who manage, perform, and verify work that affects safety and pollution prevention. A designated person or persons ashore (DPA) provides a link between the company and the personnel on board. The DPA should have direct access to the highest levels of the company's management with respect to safety. Companies

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[33] Statement of Mr. Douglas Harold Brown, Chief Mechanic/Acting Second Engineer of the Deepwater Horizon on Legal Liability Issues Surrounding the Gulf Coast Oil Disaster, before the House Judiciary Committee, May 27, 2010
[34] *Id.*

are responsible for ensuring that resources and support from ashore enable the DPAs to carry out their functions.

The ISM Code provides a clear statement on the authority of the master. Masters are responsible for implementing the company's safety and environmental protection policies, motivating the crews to observe the policies, issuing clear orders, verifying that requirements are met, reviewing the safety management system, and reporting deficiencies to management ashore. Every safety management system should contain a "clear statement" that emphasizes the master's authority and that the master has the "overriding authority and responsibility to make decisions with respect to safety and pollution prevention."

At the time of the accident on April 20 that eventually destroyed the *Deepwater Horizon*, the MODU was under the command of the Offshore Installation Manager (OIM). The OIM on a Transocean MODU is responsible for managing the employees and resources of the rig to achieve optimum performance and to ensure the well program is carried out in a safe, efficient, and productive manner.

The *Deepwater Horizon* was issued an International Safety Management (ISM) Safety Management Certificate by Det Norske Veritas[35] (DNV) on July 11, 2007. The certificate was valid until May 16, 2012.

In written testimony before the House Judiciary Committee on May 27, 2010, former Chief Mechanic and Acting Second Engineer on the *Deepwater Horizon*, Douglas Brown testified that during a pre-tour safety meeting at the start of his shift on April 20 at 12:00 p.m., the day of the explosion, the Driller, a Transocean employee, was explaining the work that would be done. The BP representative "interrupted" the Driller by saying that there had been a change to the work plan.[36]

Mr. Brown characterized the exchange between the Driller and the tool pusher, another Transocean employee, and the BP representative as a "disagreement with the BP representative's plan." That evening at around 9:50 p.m., the *Deepwater Horizon* disaster began.[37]

The ISM Code provides that companies should prepare plans and procedures for key shipboard operations. There should also be procedures for reporting and investigating non-conformities, accidents and hazardous situations.[38]

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[35] Det Norske Veritas is a classification society and a member of the International Association of Classification Societies.
[36] Statement of Mr. Douglas Harold Brown, Chief Mechanic/Acting Second Engineer of the Deepwater Horizon on Legal Liability Issues Surrounding the Gulf Coast Oil Disaster, before the House Judiciary Committee (May 27, 2010).
[37] *Id.*
[38] The ISM Code defines a "non-conformity" as an observed situation where objective evidence indicates the non-fulfilment of a specified requirement. A "major non-conformity" means an identifiable deviation that poses a serious threat to the safety of personnel or the ship or a serious risk to the environment that requires immediate corrective action and includes the lack of effective and systematic implementation of a requirement of this Code.

PREVIOUS COMMITTEE ACTION

On May 19, 2010, the Committee on Transportation and Infrastructure met to examine the circumstances surrounding the ongoing spill of crude oil from the well site in the Gulf of Mexico where the *Deepwater Horizon* had been drilling. Among other issues, the Committee examined the Coast Guard's work with the Minerals Management Service (MMS) and other Federal agencies to implement regulations governing the management of offshore oil production facilities.

In particular, the Committee examined the regulatory framework governing the safety functions of MODUs and governing the preparations made by the owners/operators of MODUs to respond to potential oil spills as well as the liability responsibilities incurred by the owners/operators of MODUs that spill oil. Further, the Committee examined the potential environmental effects resulting from the oil spill and the ongoing response actions, and the long-term cleanup challenges and potential natural resource damages.

On June 9, 2010, the Committee on Transportation and Infrastructure convened to receive testimony regarding the liability requirements for oil spills imposed by the OPA and related statutes on offshore facilities and vessels operating in U.S. waters. The Committee considered the potential impact of the liability claims arising from the loss of the *Deepwater Horizon* MODU in the Gulf of Mexico and the subsequent oil spill from the Macondo well site on the offshore insurance industry.

The Committee also assessed whether the current liability limits for offshore facilities and vessels should be raised and, concomitantly, whether the amount of financial responsibility offshore facilities and vessels are required to demonstrate for liabilities associated with oil spills should also be raised.

WITNESSES

PANEL I

Rear Admiral Kevin Cook
Director of Prevention Policy
United States Coast Guard

Mr. David Matsuda
Acting Administrator
Maritime Administration

PANEL II

Mr. Warren Weaver
Manager of Regulatory Compliance
Transocean Ltd.

Mr. Ken Wells
President
Offshore Marine Service Association

Mr. James H.I. Weakley
President
Lake Carriers' Association

ANNEX I

REDUCTIONS FROM BASIC MANNING-MOBILE OFFSHORE UNIT (MOU)

SCHEDULE A

Application	On Location/ Field Move	Underway
Self Propelled Mobile Offshore Drilling Unit (MODU)	**Offshore Installation Manager** **Barge Supervisor** **Two (2) Ballast Control Operators** **Two (2) Able Seamen MODU** **One (1) Ordinary Seaman MODU** **Maintenance Supervisor** **Assistant Maintenance Supervisor** **Second Assistant Engineer** **Two (2) Oiler/Motormen MODU**	**Master** **Chief Mate** **Second Mate** **Third Mate** **Three (3) Able Seamen** **Two (2) Ordinary Seamen** **Chief Engineer** **1st Assistant Engineer** **2nd Assistant Engineer** **3rd Assistant Engineer** **Three (3) Oiler/Motormen**
For voyages of less than 72 hours but more than 16 hours	Non-Applicable	Master Two (2) Third Mates Three (3) Able Seamen Two (2) Ordinary Seamen Maintenance Supervisor Two (2) Asst. Maint. Sups Two (2) Oiler/Motormen
For voyages 16 hours or less, but more than eight hours	Non-Applicable	Master Two (2) Third Mates Three (3) Able Seamen Two (2) Ordinary Seamen Maintenance Supervisor Asst. Maint. Sup. Two (2) Oiler/Motormen
For voyages of eight hours or less	Non-Applicable	Master Two (2) Third Mates Two (2) Able Seamen Ordinary Seamen Maintenance Supervisor Asst. Maint. Sup. Oiler/Motormen

Marshall Islands-flagged MODUs that that are equipped with dynamic positioning must conform to Schedule DPV given in Section 2.2.5, Reductions from Basic Manning – Mobile Offshore Unit MOUof the Marine Notice as follows:

SCHEDULE FOR A DYNAMICALLY POSITIONED VESSEL

Application	On Location/ Field Move	Underway
Dynamically Positioned (DP) Unit and Drilling Ships	**Master** **Offshore Installation Manager** **Chief Mate** **Third Mate** **Two (2) Able Seamen MODU** **One (1) Ordinary Seaman MODU** **Chief Engineer** **Maintenance Supervisor** **First Assistant Engineer** **Second Assistant Engineer** **Third Assistant Engineer** **Two (2) Oiler/Motormen MODU**	**Master** **Chief Mate** **Second Mate** **Third Mate** **Three (3) Able Seamen** **Two (2) Ordinary Seamen** **Chief Engineer** **1st Assistant Engineer** **2nd Assistant Engineer** **3rd Assistant Engineer** **Three (3) Oiler/Motormen**
For voyages of less than 72 hours but more than 16 hours	Non-Applicable	Master Chief Mate Second Mate Third Mate Three (3) Able Seamen Two (2) Ordinary Seamen Chief Engineer1st Assistant Engineer 2nd Assistant Engineer 3rd Assistant Engineer Two (2) Oiler/Motormen
For voyages 16 hours or less, but more than eight hours	Non-Applicable	Master Chief Mate Second Mate Third Mate Three (3) Able Seamen Two (2) Ordinary Seamen Chief Engineer 1st Assistant Engineer 2nd Assistant Engineer 3rd Assistant Engineer Two (2) Oiler/Motormen

For voyages of eight hours or less	Non-Applicable	Master Chief Mate Second Mate Third Mate Two (2) Able Seamen One (1) Ordinary Seamen Chief Engineer 1st Assistant Engineer 2nd Assistant Engineer 3rd Assistant Engineer One (1) Oiler/Motormen

FOREIGN VESSEL OPERATIONS IN THE U.S. EXCLUSIVE ECONOMIC ZONE

Thursday, June 17, 2010

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The Subcommittee met, pursuant to call, at 2:22 p.m., in Room 2167, Rayburn House Office Building, Hon. Elijah E. Cummings [Chairman of the Subcommittee] presiding.

Mr. CUMMINGS. The Subcommittee will come to order.

We convene today to examine the extent of the commercial activities conducted in the U.S. Exclusive Economic Zone, EEZ, and particularly in the Gulf of Mexico, by foreign-flagged vessels.

Given that this is our subject, the first thing we obviously want to know is how many foreign-flagged vessels are operating in the EEZ. Unfortunately, while the Coast Guard has knowledge of the number of foreign-flagged, mobile, offshore drilling units operating in the gulf because such vessels must undergo a Coast Guard inspection before they can operate in our waters, the Coast Guard cannot tell us exactly how many foreign vessels are operating today on our Outer Continental Shelf. We lack this knowledge because most foreign vessels are not required to report their arrival on our OCS, despite the enactment by Congress in 2006 of a provision in the SAFE Port Act directing the Coast Guard to finalize within 180 days a rulemaking requiring notice of arrival on the OCS. Like far too many rulemakings required from the Coast Guard, 4 years later, this one is still not done, a situation, ladies and gentlemen, which is simply, simply and tragically unacceptable.

That said, even though we don't know how many foreign vessels are operating on the Outer Continental Shelf, we know that they are there, and, therefore, we also want to understand today the various laws and regulations that govern their operations. Foreign-flagged vessels, including MODUs, are subject to the laws of their flag states and to applicable U.S. laws and regulations. We will examine today how these various regulations overlay one another, and whether they truly create a safety regime for foreign-flagged vessels, including MODUs, which is equal to the safety requirements U.S. flag vessels must meet.

We will look in particular at the Deepwater Horizon, a MODU that, of course, was drilling a well in the United States seabed, but that was registered in the Marshall Islands by a firm that had relocated from the United States to the Cayman Islands and then on

to Switzerland, primarily, we can assume, to avoid the payment of United States taxes.

Before the Deepwater Horizon was registered in the Marshall Islands, it was registered in Panama. We want to understand from Transocean why it moved the Deepwater Horizon's registration, and we want to understand the operating regulations that applied specifically to this MODU.

Additionally, the Outer Continental Shelf Lands Act, also known as OCSLA, requires that most vessels, rigs, platforms or other vehicles or structures working on the OCS be manned or crewed by citizens or permanent residents of the United States.

There are statutorily authorized circumstances under which vessels, rigs, platforms and vehicles operating on the OCS can be exempted from this requirement. For example, if a vessel, rig or platform is more than 50 percent owned by citizens of a foreign nation, or if an insufficient number of Americans are available to perform required work, vessels on the OCS can be exempted from employing Americans.

Information provided to the Subcommittee by the Coast Guard indicates that since January of 2008, the Coast Guard has granted 52 employment exemptions to vessels and rigs working on the OCS, covering nearly 6,700 employees. We will examine the types of positions covered by such exemptions, and the firms receiving these exemptions and the reasons for the exemptions.

Frankly, given our extensive economic crisis and unemployment rate that is still at 9.7 percent, I find it hard to believe that there were no Americans available to perform these 6,700 jobs, particularly in the Gulf Coast. And we want to understand in particular how and why exemptions based specifically on claims of insufficient American labor are granted.

As Members of the United States Congress and the Subcommittee on the Coast Guard and Maritime Transportation, it is our duty to strengthen the U.S. flag and the U.S. maritime industry wherever possible. I look forward to working with my colleagues to seize the opportunities that exist in the Gulf of Mexico to do just that.

Eleven families continue to grieve the loss of their loved ones, and that grief will remain with these families forever. What are now estimated to be potentially millions of gallons of oil continue to flow every day from the Macondo well site following the Deepwater Horizon tragedy. Against this background, it is imperative that we take a critical look at the legal and operational regimes governing the production of resources on the OCS to identify and close what I suspect are wide holes in some aspects of our regulatory oversight.

We can never again assume, as we too often have in the past, that the worst-case scenario is not a possibility, or that just because something hasn't gone wrong in the past, it won't in the future. As chairman of this Subcommittee, I am committed to ensuring that a tragedy like the Deepwater Horizon never happens again. The first step towards achieving that goal is ensuring that our regulatory requirements become and remain equal to the technologies we are employing to explore for and produce natural re-

sources. Eleven men died, and the Gulf Coast is now literally drowning in oil because that has not been the case.

Ladies and gentlemen, I have said it many, many times. This is our watch. We are on the Earth at this moment. It is our duty to safeguard our environment. It is the Coast Guard's duty to guard the coast. And I think we can do better.

With that, I recognize our distinguished Ranking Member Congressman LoBiondo.

Mr. LOBIONDO. Thank you very much, Mr. Chairman. And welcome to our panelists.

Under international and domestic law, the Federal Government exercises wide authority over the activities vessels can carry out in the U.S. waters. Under this patchwork of laws and conventions, we have reserved certain maritime activities exclusively for the U.S. fleet, while others, including international cargo movement, large cruise ships operating in U.S. ports, are dominated by foreign-flagged vessels. In all cases, the Coast Guard is responsible for ensuring the compliance of these vessels with U.S. safety, security and environmental laws, regardless of the vessels' nationality. However, some in the maritime community have expressed concerns about the service's vigilance in carrying out this mission, especially on the Outer Continental Shelf.

Maritime trade is a critical component to our Nation's economy, but in recent decades, the number of vessels operating under U.S. flag has plummeted. Many vessel owners have chosen to reregister under foreign flags of convenience because it often results in reduced operational costs and smaller tax burdens as compared to vessels registered in the United States. The Subcommittee had scheduled a hearing to examine the status of U.S. overseas fleet, but we had to postpone it. I hope, Mr. Chairman, we will be able to reschedule this hearing so we can examine conditions that are acting as disincentives to registering under U.S. Flag.

As I said, the Coast Guard enforces safety, security and environmental laws on all vessels operating in U.S. waters; however, I am concerned the service has not fulfilled their statutory mandate to extend the 96-hour advance notice of arrival requirements to vessels traveling to points on the Outer Continental Shelf. As a result, we have an incomplete view of what vessels are operating in U.S. waters and what activities they are carrying out. In this day and age, this is simply unacceptable, and I urge the Coast Guard to finalize this rulemaking as soon as possible.

The United States has sovereignty over all living and nonliving resources found within its Exclusive Economic Zone, and we have exercised this authority to exclude foreign interests from accessing U.S. fisheries. Some in the maritime community have called for similar Americanization of other activities in U.S. waters, including the operation of offshore oil- and gas-drilling rigs.

While I support a strong U.S. merchant fleet and believe there may be some merit to this proposal, I believe the Subcommittee should undergo a thorough review of the impact that this may have on commerce, the maritime industry, as well as the ability of the Coast Guard to absorb yet another mission at the same time the administration is proposing to recklessly slash the service's operating budget.

I am disappointed that no one from the Customs and Border Protection is here to provide testimony on the Federal Government's interpretation of the Jones Act. And while the Coast Guard is responsible for enforcing the Jones Act, Customs and Border Patrol is responsible for determining what qualifies as coastwide trade. Therefore, it would have been helpful to have a witness from Customs and Border Patrol here today to answer questions about the administration's interpretation of the Jones Act.

Lastly, while this side of the aisle still has yet to see a legislative proposal to address the oil spill, I look forward to working with the chairman and to develop commonsense amendments that will provide results.

I want to thank the witnesses for being here again today. And, Mr. Chairman, thank you again for holding this hearing.

Mr. CUMMINGS. Mr. Taylor.

Mr. TAYLOR. Mr. Chairman, I will be very brief. I think the privilege of pulling minerals off an American sea bottom ought to be reserved for an American-owned, American-built, American-crewed vessel. I think we would have a heck of an easier time enforcing the law, seeing that our fellow citizens, if they make a mistake, pay up, and, above all, seeing that the revenues are distributed as they should be. When those taxes are paid, they ought to be paid to the American Treasury, not to that of the Marshall Islands.

With that, I yield back.

Mr. CUMMINGS. Thank you very much, Mr. Taylor.

Let me just say to the Committee, I had two discussions today, one with Secretary Napolitano, and one with Mr. Price of Appropriations, and our efforts to—Mr. Price has assured me that they are working very hard with the administration to restore the cuts that we are so concerned about and getting additional funds so that the Coast Guard can effectively address the issues in the Gulf Coast. And I just wanted to—I know all the Members of the Committee were concerned about that, and I just wanted to make you all aware of that.

Mr. Young.

Mr. YOUNG. Thank you, Mr. Chairman. I am sorry I am late. I was interested in just the comments you said about funding the Coast Guard. We have neglected the Coast Guard all these years as far as getting the money to this agency. I have been here many, many years, and we keep plying and asking them to do missions without properly funding. We don't have the Coast Guard, I mean, the ice-breaking capability. We have charged them with oil spill responsibility. We have tried to do what we should have done, but we didn't do it the way we could have done, and that is to have the adequate amount of money for you to do the job.

I will ask some questions later on concerning flagged vessels. This is a deep concern to me about vessels operating in the gulf and other areas that should not be operating because they're not American flagged. And I will bring those questions up later.

But this is an agency I think needs strong support from this Congress, and shame on us if we don't do it.

I yield back the balance.

Mr. CUMMINGS. Thank you very much.

Our first panelists will be Rear Admiral Kevin Cook, Director of Prevention Policy, United States Coast Guard; and the Honorable David T. Matsuda, Acting Director, Maritime Administration.

Gentlemen, thank you very much for being with us.

Rear Admiral Cook, we will hear from you now for 5 minutes.

I am sorry. Just a moment. I apologize. I didn't see Mr. Coble.

Mr. Coble, did you have an opening statement?

Mr. COBLE. No, Mr. Chairman.

Mr. CUMMINGS. Thank you very much.

All right. Rear Admiral.

TESTIMONY OF REAR ADMIRAL KEVIN COOK, DIRECTOR OF PREVENTION POLICY, UNITED STATES COAST GUARD; AND DAVID T. MATSUDA, ACTING MARITIME ADMINISRATOR, MARITIME ADMINISTRATION

Admiral COOK. Good afternoon, Mr. Chairman, Ranking Member LoBiondo, and distinguished Members of the Subcommittee.

Mr. Chairman, I would like to have my written statement entered into the record.

Mr. CUMMINGS. Without objection, so ordered.

Admiral COOK. I am pleased to be here with the Acting Maritime Administrator to discuss foreign-flagged vessel operations on the United States Outer Continental Shelf.

Before I get to the specific subject of today's hearing, I would like to echo the condolences expressed previously by my fellow Coast Guard members who recently testified. As you know, the Coast Guard involvement with Deepwater Horizon started at its earliest hours with the search and rescue. My heartfelt sympathies go out to the members of the 11 families who so tragically lost their loved ones in the explosion on board the Deepwater Horizon.

Additionally, I wish to express my admiration for the crew of the Damon B. Bankston, the U.S.-flagged offshore supply vessel operated by Tidewater Marine, who stayed in close proximity to a very dangerous situation to save so many lives.

As the Coast Guard's Director of Prevention Policy, one of my primary responsibilities is to oversee the inspection program for vessels, offshore facilities, and Mobile Offshore Drilling Units, or MODUs, in the requirements to comply with applicable U.S. and international safety and security laws, regulations and policies. To ensure the safety and security of units operating on our Outer Continental Shelf, the Coast Guard coordinates with various Federal agencies, such as the Maritime Administration, the Customs and Border Protection, Minerals Management Service and other organizations like the American Bureau of Shipping.

The bulk of the Coast Guard's compliance oversight is carried out through annual safety and security inspections conducted on all U.S. and foreign-flagged fixed and floating production platforms, mobile offshore drilling units and other vessels, as applicable.

Foreign-flagged vessels are permitted to operate on the Outer Continental Shelf and are inspected to standards equivalent to U.S. Vessels. The primary difference between U.S. Coast Guard inspections of U.S.-flagged vessels versus foreign-flagged vessels, including MODUs, is that for U.S.-flagged vessels, the Coast Guard is responsible for carrying out the inspections, tests and surveys in

order to issue the statutory certificates. For foreign vessels the flag state or recognized organization, such as the Classification Society, working on behalf of that flag state is responsible for carrying out the inspections, tests and surveys.

The Coast Guard examination carried out on foreign-flagged vessels is of sufficient breadth and depth to verify proper crew training, competence and competencies; that is, a satisfactory safety management is in place, and overall the foreign-flagged vessel's equipment and material condition are maintained and operated in compliance with applicable international and flag state standards, as well as domestic regulations, thereby ensuring an equivalent level of safety as compared to U.S. vessels.

The scope of the Coast Guard port state control examinations carried out on foreign-flagged vessels exceeds current international guidelines for port state control. These type of examinations include inspection and equipment tests and emergency drill requirements beyond those ordered by other countries. When a Coast Guard examination reveals questionable equipment, systems or crew competency issues, the Coast Guard expands the port state control exam as necessary to determine whether a deficiency exists or not. That scope of the expanded examination is not limited, and the Coast Guard may require additional tests, inspections or crew drills to the extent deemed necessary. When deficiencies are found, the Coast Guard mandates corrective action, depending on the severity, and may detain a vessel, restrict operations until that deficiency is completed.

Currently there are thousands of vessels engaged in the Deepwater Horizon spill response. Some of the vessels are foreign. Of particular note, the foreign drill ship Discoverer Enterprise, a Marshall Islands-flagged vessel, has been the primary drill ship recovering the liquid flowing from the damaged well since the installation of the top hat. A U.S.-flagged MODU, Q4000 is now assisting to incinerate oil beyond the Discover Enterprise's capacity to recover that oil. The Liberian-flagged Toisa Pisces and Great Britain-flagged Loch Rannoch are currently making preparations to assist in the ongoing recovery operations. These two vessels have been employed because of the unique characteristics they maintain, specifically dynamic positioning systems, which will enable them to remain on station to conduct response operations, yet be rapidly able to cease operations and move safely in the event of a hurricane.

The Coast Guard remains committed to maritime safety and security on the Outer Continental Shelf through continuing inspections of U.S.-flagged vessels and those foreign-flagged vessels subject to our port state control requirements.

Thank you again for the opportunity to testify today. And I will be happy to answer any questions you have.

Mr. CUMMINGS. Thank you very much.

Acting Maritime Director Matsuda.

Mr. MATSUDA. Good afternoon, Mr. Chairman, Ranking Member LoBiondo, and distiniguished Members of the Subcommittee. Thank you for the invitation to testify today.

President Obama said the BP oil spill in the Gulf Coast is the worst environmental disaster in our Nation's history. From the start of this crisis, the Maritime Administration has supported the

ongoing relief effort and monitored the impact on the maritime industry. We activated our internal command center and provided personnel to assist at the United States Coast Guard's National Incident Command Center. We also participate in the Interagency Solutions Working Group and the various maritime transportation system recovery units in the Gulf Coast.

Fortunately, as you can see on the graphic here, this spill has not significantly impacted the Nation's maritime transportation system. Most of the traffic you see going to the Port of New Orleans has simply gone around the spill area. Commerce and trade continue, but operators are keeping a watchful eye to avoid the fouled gulf waters.

Before I continue, I would like to take a moment to also express my condolences to the families of the 11 Deepwater Horizon crew members who did not survive the explosion. We mourn their loss and, like our sister agencies, we are working diligently to make sure this type of incident never occurs again.

The MARAD family was also affected by the tragedy that overwhelmed the Deepwater Horizon. Two graduates of the United States Merchant Marine Academy in Kings Point, New York, Darin Rupinksi and James Mansfield, were on board. Both are heroes. Their stories are detailed in my full written testimony, which I will submit for the record with your permission, sir.

I want to emphasize the Administration is committed to making certain that every asset possible is available to address this catastrophe. As Admiral Cook mentioned, among the first vessels to respond to the distress call of the Deepwater Horizon was the Damon Bankston, a vessel that was built in the United States, is registered in the United States, and is crewed by United States mercahnt mariners.

Since the sinking of the Deepwater Horizon, many more U.S.-flagged vessels have responded to the crisis. As of last week, 77 percent of the vessels providing oil spill source control in the gulf are U.S.-flagged. For example, take the U.S.-flagged Joe Griffin, operated by Edison Chouest Offshore of Galliano, Louisiana. The ship carried the extremely large cofferdam containment structure that was lowered in the early attempt to cover the leak last month.

During the current situation in the Gulf of Mexico, U.S.-flagged vessels have been used in every situation where U.S. vessels and crew are available.

While there are foreign-flagged vessels operating in the gulf, none appear to be operating in violation of the Jones Act. As you know, the Jones Act requires that cargo being transported between U.S. ports must move aboard vessels that are U.S.-flagged, U.S.-built, U.S.-owned, and largely crewed by U.S. merchant mariners. However, we are aware that in some situations, especially in energy exploration activities, only a few companies in the world operate the kind of vessels that might be needed. When this happens, it is, of course, prudent for the vessel operators to apply for a Jones Act waiver.

The Jones Act can be waived by the Secretary of Homeland Security, through U.S. Customs and Border Protection. In order to verify that no U.S. vessels are available for a certain job, U.S. Customs and Border Protection relies on our agency to first survey the

U.S. industry. Recently a company tried to hire specialized foreign-built barges to assist in the U.S. oil-spill response. But when the company requested a waiver of the Jones Act, the Maritime Administration performed a quick survey and located many comparable U.S.-flagged vessels that were available. This information was relayed back to U.S. Customs and Border Protection.

The law also allows the Coast Guard's Federal on-scene coordinator to make an exception to the Jones Act in the aftermath of an oil-spill like we are dealing with here. This exception process is designed to allow immediate attention and processing of requests for oil-spill response vessels. Again, once an exception request is received, the Maritime Administration immediately surveys the industry for U.S. mariner and vessel availability.

In closing, I would like to commend, once again, the work of our Nation's unassuming merchant mariners. The U.S. Merchant Marine has capably served as the Naval and military auxiliary service in the time of war, and the Jones Act has helped ensure that we have a Merchant Marine capable of responding to national emergencies in our coastal waters.

Thank you, Mr. Chairman. I am happy to respond to any questions you and Members of the Subcommittee may have.

Mr. CUMMINGS. Thank you both very much.

Admiral Cook, under U.S. law or regulation, when a dynamically positioned MODU, such as the Deepwater Horizon, is drilling a well with the riser pipe down and in contact with the sea floor, is it classified as a point in the United States for purposes of the Jones Act? And are there any instances in which a dynamically positioned MODU could be drilling a well with the riser pipe down and in contact with the sea floor when it would not be a point in the United States for purposes of the Jones Act?

Admiral COOK. Well, Mr. Chairman, I know Mr. Matsuda made the point that CBP administers that, but it is—to my knowledge, there would not be a time when we have contact with the bottom, permanent contact like that with the riser, where you wouldn't be considered a point or place in the U.S.

Mr. CUMMINGS. So then—so your answer is no?

Admiral COOK. The answer is yes, that when you are fixed to the bottom, that you would be considered a point or place in the U.S.

Mr. CUMMINGS. Then is a dynamically positioned MODU drilling a well with a riser pipe down and in contact with the sea floor underway, or is it not underway at a time it is conducting such a drilling operation?

Admiral COOK. When you——

Mr. CUMMINGS. Let me say it again, because I am asking you this for a reason. I want to make sure we are clear. We need some clarity from the Coast Guard on certain—and this is consistent with some Jones Act issues, and we want to make sure what the Coast Guard's interpretation is.

Is a dynamically positioned MODU drilling a well with a riser pipe down, and in contact with the sea floor, underway, or is it not underway at the time it is conducting such a drilling operation?

Admiral COOK. It is considered not underway, and, in fact, the lighting and requirements are like a fixed facility.

Mr. CUMMINGS. And what was the last part of what you just said?

Admiral COOK. The lights that they show for navigation are as if they were a fixed facility.

Mr. CUMMINGS. So then if—the vessel must necessarily then be under the command of a licensed captain; is that correct? In other words, when would it be required to have a licensed captain in charge?

Admiral COOK. In U.S. regulations?

Mr. CUMMINGS. Yeah.

Admiral COOK. It would have a captain, and typically the captain would be required to have the OIM, Officer Offshore Installation Manager, endorsement, and so that they would also be the one in charge of drilling.

Mr. CUMMINGS. So, let me make sure I understand this. An offshore installation manager was in charge of the Deepwater Horizon at the time of the accident on April 20; is that right? Do you know?

Admiral COOK. Yes.

Mr. CUMMINGS. Somebody was?

Admiral COOK. The offshore installation manager.

Mr. CUMMINGS. Do you know who that was?

Admiral COOK. I don't know by name.

Mr. CUMMINGS. But you will get that to me; will you not?

Admiral COOK. Yes, sir.

[The information follows:]

Page 25, following Line 508
INSERT: Mr. Jimmy Harrell was Offshore Installation Manager

Mr. CUMMINGS. And did that individual have a master's license with the OIM endorsement, or were the master function and the offshore installation manager function performed by two separate people on the Deepwater Horizon at the time it was drilling at the well site?

Admiral COOK. It was performed by two separate people.

Mr. CUMMINGS. And you will give me both of those names?

Admiral COOK. Yes, sir.

[The information follows:]

========== Page 26, following Line 518
INSERT: At the time of the accident, the Master of the Deepwater Horizon was Mr. Curt Kuchta and the Offshore Installation Manager was Mr. Jimmy Harrell.

Mr. CUMMINGS. Very well. I am going to ask you one more, and then I want to let the other members of the panel ask you some things.

Now, just to be specific, although the Coast Guard regulations are silent with regard to MODUs that are on station and drilling while utilizing a dynamic positioning system, 46 CFR 15.520(d) specifies that, and I quote, a self-propelled MODU other than a drill ship must be under the command of an individual who holds a license as master endorsed as OIM, end of quote.

And 46 CFR 15.420(e) specifies that, and I quote, a drill ship must be under the command of an individual who holds a license as master. And when a drill ship is on location, the individual in command must hold a license as a master endorsed as OIM, end of quote.

In contrast, 46 CFR 15.20(f) specifies, and I quote, that a non-self-propelled MODU must be under the command of an individual who holds a license or endorsement as OIM, end of quote.

Are these specific requirements regarding the master positions for MODUs, drill ships and non-self-propelled MODUs the same under the Marshall Islands regulations?

Admiral COOK. Mr. Chairman, the Deepwater Horizon was accepted under international certificates under the IMO MODU Code, okay? There are provisions where Marshall Islands MODUs could be accepted based on an equivalent regulation. So there are actually three schemes. One is a U.S. regulation, one is a country which comes forward and proves that their regulations are equivalent, and three, which is purely the international certification through the IMO MODU Code Safety of Life At Sea Conventions. And so Marshall Islands prescribes their manning in concert with the Safety of Life At Sea Convention, and then they have additional guidance that requires extra watch folks.

So is it exactly equivalent? It is not word for word equivalent.

Mr. CUMMINGS. It is not what?

Admiral COOK. It is not word for word equivalent, but it achieves the same purpose.

Mr. CUMMINGS. So it either is the same or not the same. I am just trying to figure out what the significance of Marshall Islands is as compared to the U.S.

Well, let me ask you this. Based on what we know about the manning requirements for a self-propelled MODU under U.S. flag and under the Marshall Islands flag, do the requirements of these two flag states require manning levels that provide an equivalent level of safety?

Admiral COOK. Yes, they do.

Mr. CUMMINGS. And does anything you have learned about manning or any other aspect of the Marshall Islands regulatory structure lead the Coast Guard to be reassessing whether the Marshall Islands regulations provide an analogous level of safety to those required of U.S. vessels and MODUs?

Admiral COOK. The analagous—or the certification that they were equal is still being recognized. And we are also in the background working on an update to subchapter N that will incorporate the things like dynamic positioning, which you have mentioned

were silent on, and at that time we will go ahead and do a line-by-line comparison to make sure that we are not missing anything.

But the regulations are believed to be equivalent. And we have also been very active with the International Maritime Organization in furthering the international codes, which in this case apply to MODUs, but in other cases apply to chemical tankers or liquefied gas carriers.

So our goal is to always make whatever regulatory regime ends up impacting the U.S., we want that to be equivalent so that we all have the same level of safety.

Mr. CUMMINGS. Well, just one other thing. How can—it just doesn't sound like it is the same, well, because I thought a master was to be in control at the time of the accident under U.S. law. And when this accident happened a master was not in control; is that right?

Admiral COOK. While they were drilling, right. The OIM was in charge. When they went to the emergency phase, the master then was in charge.

Mr. CUMMINGS. But that is not the same, though, is it?

Admiral COOK. That is not the same person.

Mr. CUMMINGS. Well, it is not the same requirement as is done in the U.S.

Admiral COOK. In the U.S. we have a master that has the OIM endorsement, so it is the same person.

Mr. CUMMINGS. All right. I will come back to you because I think there—it sounds like there is a difference, although you—maybe we are not speaking the same language here.

Mr. LoBiondo.

Mr. LOBIONDO. Thank you, Mr. Chairman. I would like to yield my time to Mr. Young of Alaska.

Mr. YOUNG. Thank you, Mr. LoBiondo.

Admiral, how many drill ships are U.S.-flagged working in the gulf?

Admiral COOK. Sir, right now there are nine working in the gulf. We have 37 that maintain active certification that could be drilling elsewhere or with the industry term ″staffed,″ ready to be employed.

Mr. YOUNG. Now, are those equal to the New Horizon, or are they the shallow-water ones that are drill rigs?

Admiral COOK. Those are mobile offshore drilling units.

Mr. YOUNG. But when you say offshore, there is a difference between 1 mile down than the ones that drill at 250 feet, 300 feet, 500 feet. Are these rigs flagged rigs that are self-mobile, that are capable of drilling offshore in the deep waters?

Admiral COOK. Yes.

Mr. YOUNG. They all can do that?

Admiral COOK. Some of them are. They move, and then they are jacked up.

Mr. YOUNG. Well, none of the jacked rigs can work offshore at 1 mile deep, and you and I know that; is that right?

Admiral COOK. Right.

Mr. YOUNG. What I am looking for is how many—because the chairman alluded to the Marshall Islands flagging, and there are numerous reasons why it was made in Korea, flagged in the Mar-

shall Islands, supposed to meet all the requirements. How many American modes, if you call them whatever you want to, operate in that deep water that are American-flagged?

Admiral COOK. Mr. Young, I will have to get back to you on the record.

[The information follows:]

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Page 42, following Line 901
INSERT: As of June 17th, there were 37 U.S. flagged Mobile Offshore Drilling Units (MODUs) operating in the Gulf of Mexico. Only one, the Q4000 is capable of drilling in water depths of 5,000 feet or greater. There are 31 Foreign flagged MODUs in the Gulf of Mexico capable of drilling in water depths of 5,000 feet or greater.

Admiral COOK. But I will tell you that the Q4000, which is a U.S.-flagged MODU, is on scene and is now right next to the Discoverer Enterprise, which is the ship recovering the oil. The Q4000 has a burner skid on it, and that is burning off excess oil that the Discoverer Enterprise can't use. So that is an example of a U.S.-flagged MODU.

Mr. YOUNG. My interest—it is not your problem. You have to certify and everything else just how many rigs we have, because most of the rigs now that are on moratorium will have to leave those waters because they are not American-flagged. They will go to Brazil or China or Cuba or somewhere else to drill. And I am interested in a Jones Act drill that can drill deep water in the future and not some foreign-flagged type operation.

The other issue I was going to ask you about, Admiral, I have a deep concern because all this period of time we have a lot of American Jones Acts vessels down there that are sitting idle. And the supply ships that are not Jones Act vessels come to shore and take supplies and supply the rig, and that is against the Jones Act. And the Coast Guard, so far, has not enforced that regulation. Are you aware of what I am talking about?

Admiral COOK. Yes. Any time we are aware, we do work with CBP to try and follow up on that.

Mr. YOUNG. But I will inform you, and I have talked to some of the people in the Coast Guard, I have been bringing this to your attention for many years that this has been a circumvention of the Coast Guard Jones Act enforcement, because what they do is they supply supposedly stuff to the rig, they're not Jones Act vessels, to a rig that could be a Jones Act rig. But then they will go to shore and pick up products and food and supplies for the rig, and that puts my Jones Act vessels out of work.

And I am hoping that you understand, and you ought to know this, too, if you don't, because this is wrong. I mean, it is just absolutely creeping up over the years where the Jones Act is not being enforced. And I am a big Jones Act person, always have been, because I believe in an American fleet. So I think you have been neglectful in that arena. You heard me say I support the Coast Guard, but I don't want them to keep chipping away and keeping our Jones Act fleet from not operating, which, very frankly, the work is not there.

I have 58 seconds left. Again, on the spill, I am not excited about a foreign vessel, although saying we have it available, we are not paying for it, the oil company is paying for it. But I would suggest if you allow one in under a waiver, that when we get a domestic vessel that is on site, comes into the site, that you eliminate the foreign vessel, that they should not continue to operate. Do you understand what I am saying?

Admiral COOK. I understand. So that the waiver would be for a period of time until a U.S. flag could fill that role.

Mr. YOUNG. And in that waiver making it specific that I am from Holland, or I am from Nigeria, and I go in and that ship is working there, and I get a ship out of Newport or out of Galveston that comes in. That foreign vessel, that is when it ceases operating so we can get the American vessel in operation. You can do that?

Admiral COOK. I can bring that message back, sir.

Mr. YOUNG. I would suggest you do that. I think that would be a good idea for the Coast Guard. Put it in the waiver.

Thank you, Mr. Chairman.

Thank you, Mr. LoBiondo.

Mr. CUMMINGS. Thank you very much.

Ms. Richardson.

Ms. RICHARDSON. Thank you, Mr. Chairman.

First of all, thank you, both of you, for coming here.

And, Mr. Matsuda, it is always good to see you again in your support throughout all of our districts.

My questions are going to be primarily focused on the Jones Act, which seems to be of much discussion of everyone these days. In your opinion, do you believe that the Jones Act was originated to deal in normal situations, you know, interstate commerce moving back and forth cargo? Do you believe the rules were really intended for in times of disaster, as we are at this point?

Admiral COOK. I think that when you look at the actual waiver provision, that it is a national defense waiver that has to be obtained to the Jones Act provisions, so I would say that it may not have been envisioned for a spill response scenario, but certainly something which endangers our national security, which environmental disasters, I think, can be brought into that category.

Ms. RICHARDSON. And how long does it typically take to do a waiver? Is it something—you know, a vessel turns in their requests. How many days is it? How many hours is it? Weeks? Months?

Mr. MATSUDA. I can speak to that. The Maritime Administration's portion of surveying the industry currently, in our agreement with the U.S. Customs and Border Protection, can take as long as 48 hours. Usually, it is much faster. I can tell you that the one waiver request we received so far for this spill we got back within the same day.

Ms. RICHARDSON. And how many waiver requests have been submitted? Just the one since the spill occurred?

Mr. MATSUDA. Well, they would be submitted directly to Customs. And now the National Incident Commander has requested that all requests for waivers be filtered or started directly through them. But we have so far only seen one request. And frankly, we did a survey and found that there were many U.S.-flagged vessels available for that purpose.

Ms. RICHARDSON. Okay. But when you look at the news, and you see the situation of what is going on there, and I plan on being there on Monday, it seems to me—I understood that the reason why the waiver was not met was because there were other available ships, vessels. Well, then, where are they, and why aren't they there?

Mr. MATSUDA. If I understand your question, the actual requirement for a response vessel is going to be given by the National Incident Commander. They work with BP to determine what vessels are needed and what kind of vessels. If they come with a foreign-flagged ship, they will need—well, if they need a Jones Act waiver because it is a foreign-flagged ship, and they are going to be operating either within coastwise trade or within three miles of the coast, then they will need a waiver. But otherwise——

Ms. RICHARDSON. Let me be more specific to you. My question is you have told us and what we have read in the material says that with the waiver that was submitted, the reason why it was not granted was because there were other American vessels, which clearly we all—and I agree with my colleagues, we all would prefer that we are supporting American-made vessels and crew and so on. But my question is if they turned in the waiver, if it was denied because there were other vessels, then are the other vessels performing the work?

Mr. MATSUDA. It would depend on the kind of vessel. If there is a need for that specific vessel then, like I said, it would be run through the waiver process to see if there is first a U.S.-flagged vessel. If there is no need for the vessel, then it is going to be idle.

Ms. RICHARDSON. Well, okay. We just had a briefing, the Senate and the House, with Admiral Allen, and I have got to tell you from what I have seen so far, and I haven't been there in person, but I will be there on Monday, it seems like to me it is needed. I mean, I see pictures of oil everywhere, you know, animals that are soaked in it. I mean, it doesn't seem, in my opinion—now, I haven't physically seen how many vessels are out there, but it seems to me that there is a need.

So I guess what I would like to ask on behalf of this Committee is, one, if you could get us the number; and if you could do the same time frame of less than 48 hours, how many waivers have been requested; have they been denied; if they have been denied, have other vessels been put out there; and to really determine is that all that we need.

Now, the Admiral said that there are a lot of vessels, but different vessels have different capabilities. And so someone may say, hey, I want to come out and help, but they may not necessarily have that capability. But it just seems from looking at it that there are other skimmer boats and other things that could be done.

Mr. MATSUDA. Ma'am, I will take your request. Certainly I think Customs and Border Protection will probably be the best place to get the waiver information, or from the National Incident Commander. But, I am happy to pass along that request as well.

Ms. RICHARDSON. Okay. Thank you.

Mr. CUMMINGS. Mr. LoBiondo.

Mr. LOBIONDO. Thank you, Mr. Chairman. I would now like to yield to Mr. Coble.

Mr. COBLE. Thank you, Mr. Chairman.

I thank the gentleman from New Jersey.

Admiral, several news reports have suggested that the administration has rejected offers of foreign-flagged skimmers that could be used as part of the response. Has the administration, in fact, turned away offers of skimming vessels or equipment?

Admiral COOK. Mr. Coble, no offers of qualified skimmers have been turned away.

Mr. COBLE. Say it again.

Admiral COOK. No offers of qualified assistance have been turned away.

Mr. COBLE. Okay. Let me go a step further, speaking about skimmers. Has the administration reached out to the domestic fleet to bring in all skimming assets that might be available?

Admiral COOK. There has been a continuing effort, and it has been most recently ramped up again this week, where we have also gone out to the U.S. Navy, who has provided skimmers since the very beginning, but has some additional ones at installations around the country, and we are going to the commercial oil spill response organizations, which are part of the response network that is in place in every port throughout the country.

Mr. COBLE. How many skimmers, Admiral, are actively skimming on a daily basis? And if you don't know, you could get that to us?

Admiral COOK. I brought the information sheet in case we had any questions regarding this. The total number of skimmers is 447.

Mr. COBLE. Four hundred forty-seven?

Admiral COOK. Yes.

Mr. COBLE. Admiral, does the Jones Act create an impediment to the employment of foreign-flagged skimming vessels?

Admiral COOK. It is a factor, but I would not call it an impediment, because foreign-flagged skimmers can be—they are treated as oil spill response vessels. And if they are operated outside of 3 miles, they are not impacted by the Jones Act.

Mr. COBLE. Well, let me ask another question regarding 3 miles. Do skimmers operating beyond the 3-mile limit require a coastwise endorsement? I am thinking no, but I don't know that.

Admiral COOK. They do not because they are not going from place to place. They are just on the waterway, whatever waterway that is. In this case, you know, the Gulf of Mexico.

Mr. COBLE. And finally, does the Jones Act create an impediment to the employment of foreign-flagged skimming vessels?

Admiral COOK. Not an impediment outside of 3 miles. But if you come within 3 miles, then the Federal on-sea coordinator would have to determine that those skimming vessels were needed and there was not a U.S. skimming capability that could be used. And the State Department would have to verify that should a reciprocal development occur where U.S.-flagged skimmers could be used in that foreign country, that that reciprocal arrangement exists. So it is an impediment inside of 3 miles.

Mr. COBLE. I thank you, sir.

Mr. Matsuda, did you want to add anything to that?

Mr. MATSUDA. No. I would agree. We are familiar with the procedures used, and we can tell you that from our perspective they work very well, very quickly, and it helps maintain a policy of preserving a U.S. Merchant Marine.

Mr. COBLE. Admiral, thank you both.

Don, do you want to ask anything?

I will yield the balance of my time to the gentleman from Alaska.

Mr. YOUNG. There is a provision in the law concerning movement of valueless material that has to be a Jones Act vessel; is that correct? And what they skim—and one of the reasons we are having so many problems, we have got 447 skimmers out there. This is very difficult oil to skim. You see the vision on the shore because it coagulates as it gets close to shore. If we could do it right next to the shore, we would be a lot better off. But is the valueless provision in law applied to what is skimmed, because there are so

many barrels of water versus actual barrels of oil—is there any value to it?

Admiral COOK. Mr. Young, I really don't have the background to comment on a legal basis of whether it is valueless.

Mr. YOUNG. Mr. Chairman, get that back to us, because—I am after American-flagged ships is what I want. And I don't like foreign-flagged ships in my waters or our waters. So remember that phrase. Under the dredging concept they had to be Jones Act vessels; if they were collecting, and it was valueless material, we made them Jones Act vessels.

Now, if they are collecting this oil, and although it has water in it, is this considered valuable or nonvaluable? If it is nonvaluable, then they still should be—they shouldn't be allowed to collect it. It should be American-built ships. So get that back to me.

[The information follows:]

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Page 92, following Line 2094

INSERT: In accordance with 46 CFR 107 and 46 CFR 108, U.S. flagged Mobile Offshore Drilling Units (MODUs) are required to be drydocked for completion of a hull examination two times every five years with no more than three years between examination intervals.

In light of the special nature of their service and movement, 46 CFR 107.261 enables column-stabilized, self-elevating, and surface type MODUs to undergo a Special Examination in Lieu of Drydock in accordance with the requirements stipulated in 46 CFR 107.265 and 46 CFR 107.267, when approved by the Commandant of the Coast Guard.

MODUs approved by the Coast Guard for the Special Examination in Lieu of Drydock program, must complete the hull Special Examination in Lieu of Drydock two times every five years with no more than three years between examination intervals.

Mr. COBLE. Mr. Chairman, I will reclaim and yield back.

Mr. CUMMINGS. Thank you.

Just one real quick question, Mr. Taylor, just one very quickly. When I was in the Gulf Coast about a week ago, Admiral, I saw a lot of the local folks. They would take a boat. They would have two boats, and they would have the boom attached to each boat, and they would create, like, a horseshoe, and they were corralling the oil to be burned. Does the Jones Act come—I mean, let us say they are within the 3 miles situation. Does the Jones Act apply there at all?

You are familiar with what I am talking about, right? And there was a lot of that kind of activity and a lot of— and they were saying that a lot of the local fishermen really were trying to get to do some of that kind of work. And I was just wondering, how does that apply, just following up to Mr. Young's questions. Just curious. Would you have that information?

Admiral COOK. Mr. Chairman, we would have go to CBP.

Mr. CUMMINGS. But you know what I am talking about, right?

Admiral COOK. Absolutely, in situ burning. And if we viewed it from a helicopter, it would look like a horseshoe, so that the activity would be going on, and it would be—the work would be generated by the two vessels. But I don't know whether that would be considered for Jones Act.

Mr. CUMMINGS. All right. Thank you very much.

Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

To Mr. Coble's point, I would guess if the roles were reversed, and this spill was off of North Carolina rather than Mississippi, Alabama and Florida, and a significant number of the gentleman's fishermen were out of work as a result of that spill, I would guess that those fishermen would take great offense that a vessel from overseas was brought in to do the work that they were capable of doing.

Now, I don't have a problem if there is a need for greater skimming capacity, but that points to the fact that apparently when we passed the Oil Pollution Act of 1990—and I think the gentleman was on the Merchant Marine Committee then, I know Mr. Young was—we obviously didn't do a good enough job of putting aside the money for American-flagged vessels to do this if we have to go overseas to fill this need.

But my point is, Admiral, the vessel was inspected in the Marshall Islands. It was built in Korea. I am just curious, how long did it take the Marshall Islands Coast Guard to show up and provide help for that vessel when it caught on fire? And how long did it take for the Korean Coast Guard to show up when this rig caught on fire?

Admiral COOK. Well, Mr. Taylor, I mean, you certainly know it was the U.S. Coast Guard that was there.

Mr. TAYLOR. Now, wait a minute. It is Marshall Islands-flagged, built in South Korea. The taxes go to Switzerland, so I guess the Swiss Coast Guard showed up to help when this vessel caught on fire, right, and to rescue those people out of the water? Was it the Swiss Coast Guard out there coordinating all this, flying overhead, organizing the skimmers?

Admiral COOK. It was just the U.S. Coast Guard, sir.

Mr. TAYLOR. Just the U.S. Coast Guard. So the country that didn't get to build the rig, the country that did not inspect the rig, right? The country that does not get the taxes from the rig, is—in the event of a default by BP gets all the bill, all of the grief, didn't get to build it, didn't inspect it.

Let's go to another point. I understand the kids from the Merchant Marine Academy just took their Coast Guard licensing test last week, and it is 4 days, a very tough test. I think 70 percent of the kids passed, which meant 30 percent of the kids, after 4 years of studying, did not pass at least the first go-round.

I am just curious, if that 30 percent that didn't pass showed up with a note from the Marshall Islands that said they had passed their third mates exam, would you sign off on it? Would you give them a third mates license based on the fact that they got a note from the Marshall Islands that said they passed the third mates exam?

Admiral COOK. Congressman Taylor, we invest as heavily as we can in the development of international standards, and if someone on a Marshall Islands-flagged ship presented a Marshall Islands-flagged third mate license, we would accept it.

Mr. TAYLOR. I am just curious. Given the amount of corruption around the world, what guarantee do you have that that license in the Marshall Islands or Panama or any of these other countries where a great many vessels are registered—what guarantee do you have that they actually performed those safety inspections before United States Coast Guard signed off on them?

Admiral COOK. Well, our goal is to go on board and do a verification so that we check certain things so that we can develop a sense of whether the vessel is being maintained in concert with international requirements.

Mr. TAYLOR. But what is your degree of certainty that the necessary fire prevention took place on that vessel, or did you rely solely on the signature of someone you have never met on an inspection that you did not witness that may or may not have taken place that resulted in the lives——

And, again, I am not blaming you, Admiral. I am not blaming the United States Coast Guard. I am questioning a policy where the United States Coast Guard signs off on an inspection you did not witness, of someone you never met, who may not even exist in the first place, that probably could have been bought for a bribe in a third-world country.

What degree of comfort would you have in having your child or someone you cared about serving on that vessel?

Admiral COOK. Well, sir, I think the Deepwater Horizon is certainly a terrible incident. But when you look at the safety records across the board, I think that there is some reason to have confidence that the Coast Guard's Port Safe Control Program is sound. Whether there can be exceptions—

Mr. TAYLOR. Did they do as good a job on that inspection as your people would have done?

Admiral COOK. I think they are enforcing equivalent level of standards; and the American Bureau of Shipping, in fact, was the

classification society that was actually performing the inspections on behalf of the Marshall Islands.

Mr. TAYLOR. Did they do as good a job as your people would have done?

Mr. CUMMINGS. You may answer the question. The gentleman's time has expired. Please answer the question.

Admiral COOK. To the extent that we can verify the compliance, it was as good a job. We weren't there, like you said. So we don't have actual knowledge.

Mr. CUMMINGS. Just for clarification's sake, are the inspections that the Coast Guard conducts before issuing a certificate of compliance to a foreign-flagged MODU and an inspection that the Coast Guard conducts before issuing a certificate of inspection to a U.S.-flagged MODU, are they identical?

Admiral COOK. They are not identical.

Mr. CUMMINGS. How are they different?

Admiral COOK. They are different in that, if it were a U.S. flag, we follow the U.S. regulations and apply those regulation by regulation. To the extent that we have been able, and we have been very successful in getting those types of standards replicated through international instruments, the foreign-flagged certificate demonstrates that they are built and maintained through an international standard, and then the Coast Guard verifies that we do in fact believe that they are being maintained to that.

We put the crews through drills, firefighting and lifeboat drills. We run through all of the records. We do spot checks on engineering things. We check their steering systems, physically move them. We double-check the bridge equipment.

So those are the kind of things that are done as a verification. And then, as I said in my opening comments, if there is a reason to suspect that something is not being maintained, then all bets are off and we can dig as deep as we want across the board. But it is a verification examination.

Mr. LOBIONDO. Mr. Chairman, I ask unanimous consent that Mr. Mica be allowed to sit on the Committee.

Mr. CUMMINGS. Without objection.

Mr. LOBIONDO. And I yield my time to Mr. Mica.

Mr. MICA. Thank you.

I appreciate you convening this hearing on an important topic.

I think most of us here would like to see that every ship that operates in the economic zone have an American flag, American staff, and American built. From a practical standpoint, though, according to the report given to us by the majority staff, 37 flagged U.S. vessels and 57 foreign-flagged offshore vessel units engaged—these are offshore drilling units—engaged in activity in the Outer Continental Shelf.

I guess the Coast Guard also reported there are 38 U.S.-flagged and one foreign-flagged floating facility, platform, engaged. I guess a floating platform is also considered a vessel; is that correct.

Admiral COOK. Correct. I think it is commonly known as a floating production and storage.

Mr. MICA. But do you conduct the inspections also of those platforms?

Admiral COOK. Yes, we do.

Mr. MICA. It doesn't sound like that is a big problem, because it sounds like we would have one out and one foreign. But the majority of the offshore drilling units are in fact foreign-flagged vessels. Is this staff report correct?

Admiral COOK. Those are the statistics I have as well.

Mr. MICA. I have seen a couple of reports of how many are deepwater and how many are in shallower water. Do you have any idea how many are operating of the 57 foreign vessels?

Admiral COOK. Thirty of the 57 are on MMS leases right now.

Mr. MICA. Thirty of the 57? Okay. Well, and are they all production? Because the Horizon was not a production. It was exploration. Do you know?

Admiral COOK. I don't have that breakdown, Mr. Mica.

Mr. MICA. It is nice to want to have them all American flagged, and I would support that if we could.

I am just wondering what kind of disruption—and I don't think you are prepared to answer that question. I don't know if our Acting Administrator—do you have any idea what it would do if we imposed a mandate that they all be U.S. flagged, particularly with these mobile offshore drilling units?

Mr. MATSUDA. Well, I can tell you that it certainly spurs the U.S. shipbuilding industry and not just for those units themselves but also the supply vessels.

Mr. MICA. If we were to do that, we probably couldn't do it overnight. You don't build the ship overnight. And we can't get rid of these foreign drilling units overnight. So I am just trying to—what we have got to do is find a practical way if we are going to do this.

And then does the Coast Guard—I guess it wouldn't require any more or less capability. You still have the same number of vessels—would that be right, Admiral—and you are conducting the same type of inspections.

Admiral COOK. Well, if they became all U.S. flagged?

Mr. MICA. Your operational inspection is no different for a foreign vessel as opposed to a domestic U.S.-flagged vessel under the Jones Act?

Admiral COOK. They achieve an equivalent result, but the U.S. flag is more time-intensive.

Mr. MICA. You are spending more time looking at the U.S. than you are at the foreign?

Admiral COOK. We have to verify more things with the U.S.-flagged.

Mr. MICA. You would know initially about the U.S. flagged more because you were there—you set the standards for construction. You were there along the way. But maybe we have a problem here that if we don't have enough inspection of the foreign-flagged vessels——

I mean, well, first of all, one of the concerns is that we have missed the mark somewhere with the Horizon. And I don't know that to be the case. It is just assumed because we have had this disaster. And I would support all U.S. flagged. I have no problem with that.

I can't do that overnight without some disruption. I don't know how many are production. We estimate maybe half are production,

or maybe more, but you can't take them out of service and not have a replacement. So we will have to build some.

In the meantime, I still have a body of vessels that are foreign-flagged, and I am being told that there may be a different level of inspection for them, or maybe I am just assuming it from what you said, than there is for a U.S. flagged vessel. I know we got a different process to get there with a U.S., but I wouldn't imagine any lesser standard of inspection by the Coast Guard for a foreign versus a domestic Jones Act flagged rig or drilling unit.

Admiral COOK. Congressman, part of the issue is that the flagged state are most typically a classification society like the American Bureau of Shipping, acting on behalf of a flagged state, goes on board a regular series of inspections and does a lot of the trips of equipment and overfeeds and verifies different electrical issues so that those tests are done before we arrive.

Mr. MICA. But the Horizon itself, was there a different level of inspection for the Horizon, a foreign-flagged vessel versus another flagged equivalent? You are saying there would be a greater inspection and attention to detail to the American-flagged than there would to the foreign.

Admiral COOK. I would say the Coast Guard spends more time on the U.S.-flagged because other inspection regimes assist in the foreign flag.

Mr. MICA. The other part of this would be the problem we had was not with the vessel so much in the Horizon case but it was the actual drilling. You don't oversee the drilling. That would be the MMS; is that correct?

Admiral COOK. That is correct.

Mr. MICA. Okay. So they were asleep at the switch.

But we don't know—well, we know why it sank. At least anecdotally we know that the Horizon sank because of the explosion, fire, et cetera, weakened structure like any vessel would, but we don't know in fact that it was any less maritime or marine capable or there was some defection in it in your inspection of the vehicle that somebody missed, do we.

Admiral COOK. No. We assume that it wasn't.

Mr. MICA. It appears, too, from the preliminary investigation that the gas exploded, caught the rig—the floating platform, which you inspect, burnt, went down. But the ultimate problem was in the drilling. MMS inspections, or whoever did the drilling, did not comply with adequate means to stop that from occurring; is that correct?

Admiral COOK. We don't have the complete answer, Congressman, but there are a joint investigation between the Coast Guard and MMS ongoing.

Mr. MICA. Saturday, I got—it was marked urgent. It was an e-mail. It was from a United States-flagged major company. I won't give their name here. But from one of their top executives.

He says that we want to help. Like other Americans—well, we have both assets and expertise to do so. We've been present at the incident command site since the early days following the disaster. We have offered more than a dozen American vessels, Jones Act qualified in parenthesis. They are currently in the Gulf to help in

the cleanup, including especially configured emergency response platforms as summarized in the document.

Let me paraphrase it. It just says they have been waiting to hear from DHS, they have been waiting to hear from Coast Guard, they have been waiting to hear from Customs or Border is also involved in this. They have not heard from anybody. They said they have dozens of vessels, and there are basically scores of American-flagged vessels that have not been called into service. Do you know anything about this or why they wouldn't be used?

Admiral COOK. If I could make two comments, Congressman.

First, there are 2,930 vessels of opportunity, boats that have been hired by BP that aren't otherwise typically involved in any operations that would be anything like BP would conduct. And those are involved in setting boom, helping with skimming, those kinds of thing.

Mr. MICA. Is BP employing foreign vessels?

Admiral COOK. What I would like to say, though, Congressman, if I could after the hearing get that information from you, I will take it back and see if I can't break it free.

Mr. MICA. Mr. Chairman, I will submit a copy of the letter I sent earlier in the week; and I was astounded to get this over the weekend that we have American-flagged vessels, cleanup vessels waiting there. So I did send a letter. I got a copy here to Secretary Napolitano and asked her to look into it.

[The information follows:]

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Page 99, following Line 2269
INSERT: In the last five years, MODU inspections have been performed by personnel at 12 Coast Guard units. There are presently 26 qualified inspectors assigned to those 12 units.

Mr. CUMMINGS. Thank you very much.

Mr. Oberstar. I'm sorry. Chairman Oberstar.

Mr. OBERSTAR. Thank you very much for holding the hearing and the work that you have invested in following this issue and in preparing for this hearing and for your superb management of the Coast Guard Subcommittee.

I want to make a few sort of framework statements, observations.

The flagged states are responsible for ensuring vessels under their flag are in compliance of the law of the flagged state and of the international laws of the International Maritime Organization. So they are responsible to ensure that recognized organizations carry out inspections and comply with the law.

Some of those flagged states set relatively low standards. I made this first observation in the first hearing we had 3 weeks ago. That is why vessel owners such as BP register their vessels in those third flag states. Lower standards, lower costs to operate, lower pay for their personnel on board the vessels, in this case, the mobile offshore drilling unit, and a more relaxed and less rigorous enforcement of safety laws aboard that vessel.

We have been very concerned ever since the outset of this tragedy about reports that this vessel may not have been properly maintained, that it wasn't properly overseen, that there was disagreement between BP and Transocean, BP, a British company, Transocean, a Swiss company, registered in that great maritime Republic of the Marshall Islands with so much maritime expertise.

We lost a lot of lives fighting over the Marshall Islands in World War II. That doesn't make them a maritime nation.

These reports led us to these concerns which led us to this hearing that Mr. Cummings is conducting.

Recently, I observed a representative of the Marshall Islands Maritime Administration testify at the Joint Investigation Board that they have approximately 2,200 vessels under their flag, 2,200 vessels. The United States at the end of World War II was the world's greatest maritime Nation. We had 5,500 American-flagged vessels. We had 25 million deadweight tons of shipping. Today, we have 94 ships under U.S. flags that engage in foreign commerce.

And our Outer Continental Shelf is subject to operational drilling by vessels flagged under the Republic of the Marshall Islands? How can they manage the responsibilities under international law effectively with a registry maintained out here in Reston, Virginia? Who verifies that the organizations in the Marshall Islands, the ones that they recognize to do the work, are doing it properly?

And what we want to learn through—want to explore through this hearing is the role of the Coast Guard in inspecting foreign-flagged vessels.

So the U.S. Outer Continental Shelf, exclusive economic zone, foreign-flagged vessel operating with a drill rig owned by another foreign-flagged company and yet the environmental and economic losses are borne by Americans.

The Coast Guard has reported in response to our questions that 60 percent of the mobile offshore drilling units are foreign-flagged operating in our exclusive operating zone.

My view after this tragedy is that we need to Americanize the vessels operating in the U.S. economic zone, and I noted with some delight Mr. Mica's support for such an initiative, and we have actually talked about this at our most recent hearing a week ago.

But the question is, what capability does the Coast Guard have now to do all those inspections and what capability does the Minerals Management Service have, trained personnel, to understand the operations as our FAA does of aviation matters, commercial aviation? They set the standards. They certify the repair stations. They certify the maintenance personnel. Does the Coast Guard have a certified capability of personnel to take over such responsibility, and how long will it take to develop the expertise within the Coast Guard to do so?

Admiral COOK. If I understand your question correctly, would the Coast Guard have the expertise to take over the functions that are currently performed by the Minerals Management Service?

Mr. OBERSTAR. Yes.

Admiral COOK. Obviously, we would have to invest in people and training in order to accomplish that new field for us. I know the question has generally been out there about if we made everything U.S.-flagged we would assume that the business opportunities would drive things to essentially the same level of number of vessels.

Right now, it would be a challenge to identify exactly what that additional workload would be, but that is something we would have to study in detail. We would have to look at the different programs that the Coast Guard has. Some are straight inspection. We also have ones where we use classification societies even on U.S.-flagged to assist us. It is called an alternative compliance program.

And then we would also be looking at the capacity in the shipyards, because we would be very much involved in shipyard-type inspections, even in the dry dockings that occur after the ships are built.

So I think a wide range of things.

Mr. OBERSTAR. I think the Coast Guard is the best in the world at this, at this responsibility, of overseeing, setting the standards, inspecting, ensuring that qualifications are met and vessels are seaworthy; and yet you really don't have—this whole arena of deepwater drilling has developed only in the last decade. And all of the attention of previous oil spill liability legislation—and I have been engaged in it since the Torrey Canyon and the Amoco Cadiz in the 1970s—has been directed at vessels, tankers. Now we have a vessel that is not a tanker. It is a drilling unit, and it is a vessel. It can move on the water surface from place to place.

But operating at a 5,000-foot depth is not something that the Coast Guard is particularly trained and skilled to deal with. It wasn't in your job description, frankly, although it was in the Minerals Management Service, and they handled it poorly, and they didn't develop skills and expertise. In fact, in May of 2008, in documents we uncovered at the Minerals Management Service, they issued an exemption from a ″blowout scenario requirement″ for Outer Continental Shelf actions in the Gulf in their notice to lessee, meaning British Petroleum. So their exploration plan did not

include an analysis or a response plan for a blowout of the wellhead.

They also filed a further statement saying it was ″unlikely that an accidental surface or subsurface oil spill would occur from the proposed activities.″ The Minerals Management Service took them at their word. Said that is fine. We trust you. You are big guys, multimillion dollar corporation. You don't have to file a response plan.

Mr. Chairman, you have the Coast Guard Authorization Bill approaching conference. Our staff are meeting with the Senate staff working out the differences in the two versions. We have a very strong marine safety section in the House-passed bill. It has been a bipartisan agreement. Mr. LoBiondo was part of these discussions, Mr. Mica; and you, Mr. Chairman, you led the way on this.

This would be an opportunity for us to include in concurrence with the Senate new authority for the Coast Guard to develop the capability to do this kind of inspection and develop the expertise and recruit the personnel and we would have to provide the authority for additional funding for that additional personnel to do these things. You would be able to handle that kind of work, wouldn't you, Admiral?

Admiral COOK. However, it would turn out, we would trust in your judgment in that. But I think we would make sure it was a seamless marriage between the drilling activities and the vessel activities so that we don't create an opportunity for a safety or an environmental issue.

Mr. OBERSTAR. Correct. And you certify or approve the certificate of operation of the vessel master, don't you, the Coast Guard?

Admiral COOK. Yes, we do.

Mr. OBERSTAR. But there is no such certification for the drill master on board that vessel and that person, that vessel master that you have certified. There is no similar certification for that drill master, is there?

Admiral COOK. There are requirements, training requirements.

Mr. OBERSTAR. No stamp of approval as we do with A&P mechanics for aviation or as you do in the maritime sector. And I think raising that standard is vitally important for the future safety in these drilling operations, especially when there is no capability to send a human to that depth which is below the depth of which our nuclear submarines can dive to fix things when they go wrong. We have seen we have remotely operated vehicles that are limited in their ability to fix a failure.

Admiral COOK. Yes, sir.

Mr. OBERSTAR. Last point, coming back to the question Mr. Mica raised.

There are 2,900-some vessels—when I was at the command center in Robert, Louisiana, the Coast Guard and the Minerals Management Service and all of the other associated agents plus BP said they were hiring vessels as quickly as they could to do the cleanup and the skimming, but they needed the certification, needed to be sure they had the training and the proper equipment on board their vessels to do the work that they were paying them to do.

Now, is there a problem of certifying vessels that are available for hire to do the skimming and cleanup work in the Gulf? Are vessels presenting themselves for Coast Guard approval?

Admiral COOK. They are, and we are using vessel examiners from our Coast Guard auxiliary to assist us. They are trained examiners for fishing vessels and other vessels, which aren't quite as complex as tankers and such. So they are assisting us in that, and I think we are meeting all of the needs.

Mr. OBERSTAR. So you are processing these as fast as you can but making sure that they are capable of doing the work that they would be contracted to undertake. And BP is paying them?

Admiral COOK. We are ensuring that they have the right safety equipment, life jackets, fire extinguishers, those kinds of things. And if there is specialized training that needs to be done, that is being done by BP.

Mr. CUMMINGS. Just very quickly on a follow-up to Chairman Oberstar's question. How many Coast Guard personnel are currently fully qualified to inspect MODUs?

Admiral COOK. We have 69 personnel that have the MODU qualifications.

Mr. CUMMINGS. And where are they? Where are they stationed? Do you know? In the Gulf?

Admiral COOK. The majority of them are in the Gulf. Some of them may be in rotational assignments.

Mr. CUMMINGS. Now, Mr. LoBiondo.

Mr. LOBIONDO. Admiral Cook, is 69 enough?

Admiral COOK. If I could just digress a little bit and build on something Chairman Oberstar was talking about.

As you know, we have been trying to build our marine safety competency and had gotten lower than we really thought was acceptable, and I believe our marine safety improvement program is on a good trajectory. One of the things that we have added is a center of expertise for the offshore industry. It was just stood up this year. So it is still in its infant stage.

One of the very first things that we did—and this is well before Deep Horizon—is sign out what we call a joint task analysis, which is a top-to-bottom review of the training that goes into all the mobile offshore drilling inspectors. And that is currently under way. We have added additional training capacity at our training center in Yorktown because we would like to have more inspectors even for the current workload.

Mr. LOBIONDO. Bottom line is you don't have enough to do what you need to do right now?

Admiral COOK. Right. We are doing some improvisation to make it all work.

Mr. LOBIONDO. Something you said earlier in your testimony about help that has been offered—and correct me if I am misrepresenting what you said. But no offer of assistance has been turned away; is that what you said?

Admiral COOK. The term that I said was no ″qualified″ offer.

Mr. LOBIONDO. No qualified offer.

What I am having a hard time understanding is this is not jiving with public reports, printed reports. And somehow this is not adding up in my mind. I mean, we are hearing that there are more

either American-flagged vessels or more state-of-the-art technology vessels, that offers have been made and we have basically said we are okay. We don't need you. Something isn't meshing here. Because I don't know—nobody said we are okay, but somehow the response was they weren't needed. And if you look at what is going on, even from a nonprofessional eye, that just doesn't jive.

Admiral COOK. I could submit for the record the examples of what has been accepted from international.

But one of the issues is that, of course, that the spill has continued and it has evolved, and I have used the term it is a siege. So there could have been decisions made at different points along the way where a specific resource didn't appear to be needed and, if it is needed now, it will be reevaluated and asked for.

But I could give you an example with just skimmers. I think all of us—if you haven't been associated with pollution response equipment, you hear skimmers, you are thinking of probably a boat with a skimming capacity and maybe a belt that brings oil up from the surface. Well, skimmers are also the small cylindrical things that are floated in the water inside of a boom and they suck just through a hose. There is no boat associated with it at all.

So when we hear the word ″skimmer,″ sometimes it conjures up an image of a boat that would maybe be capable of carrying three or four people, where in other cases it is simply a device that would simply be in the water. So that type of thing sometimes could be misrepresented.

I don't want to confuse anyone. There is a true sense of urgency on getting all of the right equipment down to the Gulf. We want to preserve as much of the Gulf Coast as we can from further impact on this environmental disaster. So every effort is being made to capitalize on offered equipment.

Mr. MATSUDA. If I could add as well. We are aware of a number of offers by the U.S. industry and others who have vessels available that are not skimmers but could be converted to skimmers within a certain time period. I know that many of these have come across as offers as skimmers, but in actuality, they need a little work. But, again, the requirement has to come from the National Incident Command Center.

Mr. LOBIONDO. I know. But the frustrating part for us is when we hear from what we believe are credible sources, in my case from the maritime sector, the U.S. maritime sector, that there is more capacity available to help with this disaster that is not being utilized, and it is hard to connect the dots in our minds with the magnitude of the disaster that we are facing, why we would not be utilizing all available assets to help remedy what is going on.

And I understand your answers.

And, Mr. Chairman, I hope you would convey to the Customs and Border Patrol, I don't know what the right word is, how outrageous it is for them not to be here. It is an insult to this Committee. It is an insult to you. And these gentlemen are being put on the rack to answer questions the Custom and Border Patrol has responsibility for. And I don't know what we can do to get them in here, but I just I think it is totally unacceptable.

But I thank you, and I yield back for now.

Mr. CUMMINGS. Thank you very much, and I will jump on that.

Congresswoman Brown.

Ms. BROWN. Thank you, Mr. Chairman, for us going to the Gulf Coast, because I learned quite a bit.

I just finished meeting with the Florida National Guard, and we are in an emergency mode. We need skimmers. My understanding is Louisiana has 300 and we have 30. And the National Guard and the Governor's office has been trying to locate them. And there are small boats I guess. But we need the big ones. And I understand they are available in other countries, including Mexico and Norway.

What is the process for the State to utilize these vessels from other countries? And I have some pictures of some of them. They are big. We are talking about protecting Florida coasts.

Admiral COOK. Well, Ms. Brown, earlier, I cited my information sheet that I brought here that we carry around with us every day to make sure that we know what the right number of items are that are responding to this.

So, in Florida, it shows that there are 110 skimmers. And again they can be various sizes, and I understand what you are saying. You want big skimmers ready to go.

Some internationally accepted skimmers, Norway recently——

Mr. BROWN. You said it is 110 skimmers. Are you saying they are working? Because the Coast Guard just indicated to me we have 30, meaning the Coast Guard. But we don't have enough, whatever we are seeing.

Admiral COOK. I can't say whether they are all being employed right now. But I know there are 110 allocated to the State of Florida.

Ms. BROWN. You were beginning to read something.

Admiral COOK. I was just trying to sort through this—and forgive me, because it is not all about skimmers.

But these are international offers, examples of offers that have been accepted. Mexico's offered two skimmers. Norway's offered 8 skimming systems.

And then earlier I had commented that, although the Navy supervisor of salvage has been an on-scene partner with us from the beginning providing skimming, we have also reached out to the Navy or some of their installations or bases around the country to see if they could free up some additional skimming. And there is a full court press now with the oil spill response organizations who have equipment in other ports other than the Gulf Coast, and I am trying to make arrangements to free up some of them contractually so that they are not bound to the area that they are in and they could be applied to the Gulf.

So we hear you, and I hope we can get it.

Ms. BROWN. The problem that I have is the time frame. Because this has gone on for—they tell us on television how many days—but the question is what is the process in order for the State to take advantage of these skimmers from other countries, the big ones?

Admiral COOK. The best way to do that is work through our incident command posts so you work all the way up to the unified command which is in Louisiana, but you do have an incident command post stood up over in Key West. It was just recently moved from

St. Petersburg. And we also have one in Mobile, if you are talking about the Panhandle.

There is a considerable concentration of people and equipment, but the main thing is that they are linked into the command and control structure all the way up to the incident commander. Make your needs known through them, and that is the fastest way to get it.

Ms. BROWN. Can you give me that information in writing who are the contacts so I can make sure that my State is not given the runaround? This is something that we need. This is an emergency.

Admiral COOK. We will follow up with you, ma'am, yes.

Mr. CUMMINGS. I am sitting here and listening very carefully, and I am trying to make sure that—as you know, whenever I talk about the Coast Guard, I talk about two things, a culture of excellence as opposed to mediocrity and being effective and efficient.

And I tell you when I listen to your dialogue here with Congresswoman Brown and you said we are trying to make arrangements, I gotta tell you, it gave me a not-good feeling. Because what is happening, and I am trying to make sure that we fully sense—first of all, I support the Coast Guard a million percent. But I want to make sure that we fully sense the urgency of this moment.

We have a window of opportunity to save our beaches, save some of our birds and fish and wildlife, and I am just wondering whether there is that sense of urgency. And I think this is what Ms. Brown is talking about, Congresswoman Brown, that sense of urgency that it doesn't—sometimes it doesn't seem like folks are moving with that idea that they have got to act not today but yesterday, 55 days ago.

So I am just wondering, you know. When you say something like we are trying to make arrangements, I hate to say it but that is not good enough.

We are a can-do Nation. And when you have a situation where somebody—and I have gone to the ceremonies where members of the Coast Guard have done heroic things, and they acted like that because they knew that if they didn't act at that moment that that moment would never come again and somebody's life might be lost.

In this instance, we have people's livelihoods being lost, their opportunities to keep their businesses open. I mean, it is just so much.

And I just—I guess you know I am not trying to beat up on you, but you are the Coast Guard now. You are sitting in front of me, and you have got certain responsibilities I know. And I mean and if I were you, if I were you, I would be saying to Congresswoman Brown not, you know, you go up to the command and you go up here, you go up there. You say, look, I am going to take that back. I am going to deal with that. I am going to jump on that today. Understanding that you are not going to necessarily be able to accomplish everything she wants, but that is how we do it in the Coast Guard.

And so I am just wondering whether that sense of urgency is there. I think that when we hear the frustration of the American people—and that frustration comes from that. Is there that sense of urgency. Do we feel it? Do we understand it? Do we understand it? It is like we gotta act right now. Not tomorrow.

Because when you say arrangements—arrangements means that you have got to negotiate something. So that may be 30 or 40 days from now. By then, I don't know what the situation might be in Florida.

I am not just talking with regard to Congresswoman Brown. I am talking about to these governors and to these the congresspeople and the people that are looking for the Coast Guard to act. Because they come to me. They come to me and they say, Cummings—I am talking about Members of Congress—what is going on with the Coast Guard? And I keep saying, they are giving it their best. They are doing everything they are supposed to do. And then when I hear you talk about arrangements, it is kind of frustrating, to say the least.

You may comment.

Admiral COOK. Thank you, Chairman; and thank you for your continual support of the Coast Guard.

And I apologize if I came across in a bureaucratic sense, because that sense of urgency is very real in the Coast Guard. I have had several meetings with our new commandant, and there is no one who feels that it is more urgent for the Coast Guard than he. We are moving patrol boats down to help organize more of these vessels of opportunity. We are helping with skimming and moving boom. We are moving aircraft down to make sure we are first on scene to spot oil as it is coming near the beach so that skimmers can be directed to that oil before it impacts the beach. So I think we have the message.

And, you know, I came here with a mindset of addressing the Deepwater Horizon, the Outer Continental Shelf activity. So maybe in that sense I was in a mode that was transmitting some of the regulatory aspects and those things. But please don't misguide that for a lack of passion and a lack of commitment. And it is urgent for the Coast Guard, and we are up to the task.

Mr. CUMMINGS. And, number two, effectiveness and efficiency, two of my colleagues from my State, Senator Cardin and Senator Mikulski, were down in the Gulf Coast last week, last Monday; and one of the things that they were so disturbed about—and I recall seeing some of this when Congresswoman Brown and I were down there 2 weeks ago, 2-1/2 weeks ago—they said that they saw a lot of a boom that had not been tended. I mean, as a matter of fact, it had been left out there. Nobody came to take care of it.

They were very, very upset about that and they were so upset that they apparently got a hold of some higher-ups and said, well, where is the coordination——

Let me tell you why I ask you that, and then we will go to Ms. Richardson.

I say to my staff, when I see one problem, that means there are probably a lot more that I didn't see. And so I am just wondering—you know, I am again going back to effectiveness and efficiency. Are we looking at things like that? Is that just putting stuff out saying, okay, there it is. It is out there. Or are we tending to that boom and other things there?

Ms. BROWN. Mr. Chairman, just 30 seconds.

My understanding is that the booms are okay, you know, but the skimmers is like catching almost 40 percent of the oil. So it is very

effective, and that is why we want them. Better than the booms. Booms give us mental comfort, but it is not as good as the skimmers because you have people attending to it or maybe not. But they seem to think it is better.

Admiral COOK. If I could follow up to both comments.

Mr. Chairman, part of the rationale for getting more boats, more helicopters, and additional people—and some of those people may not be Coast Guard, they may be National Guard who are activated in addition to the ones that are currently activated—is to get the presence so we discover all of the problems before they are not reconcilable.

So to answer your question, if you see a problem, there are probably more problems. I would agree with you. But we want to be the ones who discover it, direct it, and keep the coastline safe.

And then, as far as Congresswoman Brown's comment, that is correct. The more we can identify the oil while it is still on the water and intercept it there, the more we can ensure the environmental integrity of the shoreline.

Mr. CUMMINGS. I am going to go to Mr. Mica and then to you, Ms. Richardson.

Mr. MICA. Well, again, I think the Coast Guard has done a great job. The Coast Guard, at least I found in my line of questioning, sir, you said you do inspect vessels both foreign, American-flagged. A little bit concerned that it doesn't appear that we have enough attention to the foreign-flagged vessels. I am not sure that was the case, but that was the indication that I got.

Sounds also like you are strained on your resources. At least it appeared from the question Mr. LoBiondo had asked that you were able to do your job but it was using all of the resources available; is that sort of correct?

Admiral COOK. Yes, sir. You know, we have limited ability to sustain a surge.

Mr. MICA. And one comment you made said that you were down in some of your capability, but you were trying to ramp that up.

I am not familiar with all of the different ranks in the Coast Guard, but do you have any like a second lieutenant magician? You know, like that level but a magician in the Coast Guard.

Admiral COOK. No magicians.

Mr. MICA. I didn't think so, because it would probably take one to comply with what has been going on, what has been proposed for you to do.

Now, first of all, you had nothing—you did your job. It appeared that the vessel was not the problem. It was the drilling.

So what this hearing is doing is really trying to set the stage to solve a problem which we don't have which is to, again, Jones Act the entire American zone. I have no problem with that. I am pro-American. I want the ships flagged in the U.S., built in the U.S., but that is being added on to the oil spill.

The problem with the oil spill was the failure of the inspections, MMS. The problem with the oil spill was BP not being monitored in its work or giving a permit without putting the criteria in that required it to do its things.

What stuns me—and I ask you the question if you have any magicians in the United States Coast Guard is because, first of all, if

we increased—we right now have 25—this is the Democrat staff's—25 deepwater well active rigs in the Gulf. The Obama administration approved 33 since they took office. Wouldn't it take quite a few more assets to monitor some of those assets? Now that would take a magician to do that when you submit in February a budget that cuts your personnel by 1,100 ships, helicopters, aircraft.

So, again, in announcing not only that they had done this, this is what they had approved, but I have got the New York Times March 31 headline that said they were approving even more drilling in the Gulf. That was their policy. The President came out with it before the spill. So it would take a new position called second lieutenant magician in the United States Coast Guard proposing this is policy, giving you the assets to do the job, dramatically increasing your workload, and then cutting your resources to do it.

So do you see, sir, why I suggest you need that grade of magician.

Admiral COOK. I do, sir.

Mr. MICA. Well, it is not a very good point, but I wanted to make it.

You guys are doing a good job with what we have given you. We appreciate it. You are getting drug into another issue which is part of a bigger debate. And I will get back with you on the American-flagged vessels that are available. I know you don't have total say over who comes on board, but we have some of those skimmers and others that could be used, and we want to get them engaged as soon as possible.

Thank you.

Mr. CUMMINGS. Let me be very clear. Nobody is asking for anybody to be a magician. Under no circumstances. And there is nobody, nobody in this Congress that stands up for the Coast Guard more than this chairman.

But, at the same time, again, every organization as we saw in with Deepwater—not Deepwater Horizon but Deepwater—we have to pursue excellence in everything we do. Period. And it is not about a magician. It is about making sure that we take the resources that we do have and use them effectively and efficiently.

And before our chairman came in, I had announced that I spoke to Secretary Napolitano and I spoke to Chairman Price, Subcommittee of appropriations that deals with the Coast Guard. They assured me that they are going to make sure that the funding is restored that was taken out of the budget, and that they are going to get some additional money to take care of the needs that they will now have in trying to address this issue.

And that was, by the way, a bipartisan effort on all of our part. Because it wasn't a question of assessing blame. It was being about the business of making sure that the Coast Guard had every single thing it needed to accomplish what it had to do.

So. With that, Ms. Richardson.

Ms. RICHARDSON. Thank you, Mr. Chairman. I may not be as nice and polite as you just said that.

Listening here today reminds me of when President Bush said to FEMA Administrative Brown, you are doing a good job. I am actually here to say the more I listen the more disappointed and concerned I am becoming.

According to my notes, you guys had an exercise, a spill of national significance, exercise conducted on March 24 and 25 of 2010. That was just about 3 months ago. You mean to tell me that you can't answer the questions to us of how many skimmers exist when you supposedly had a national exercise that I would think would have included knowing this information? I mean, this is basic MBA kind of work.

So this is my request that you would give to this Committee: How many skimmers do we have? How many are assigned? How many have been offered, when, and where? How many have been received and accepted, and how many are available and where? That means includes the Coast Guard, private, National Guard, foreign.

I mean, you have got to know what you have to do something, and I don't understand why you don't have that database to know where your resources are that you can utilize.

Do you want to respond.

Admiral COOK. Well, Congresswoman, we have a State-by-State breakdown as far as location of the skimmers.

Ms. RICHARDSON. So answer the question. How many do you have in total? How many are you using?

Admiral COOK. The total is 447. And that is for the four States.

Ms. RICHARDSON. The four States. You have—in the entire United States we have 447 skimmers.

Admiral COOK. We have 447 available in the Gulf for this.

Ms. RICHARDSON. No. My question is, how many skimmers do we have in the United States? How many?

Admiral COOK. I don't have that answer.

Ms. RICHARDSON. Okay, do you see my problem and your problem? You have got to know how many you have. It is not just the four States. Hell, you can take them from California. Take them from wherever. We need them. Why are we just looking at the four States? This has been 56 days. They had plenty of time to get wherever they needed to be.

So my request, again, is how many skimmers do we have, how many are we using, how many have been offered, where are they from, how many have been in fact received of what has been offered, how many are available and where? And that is not restricted to the four States. That is to the Coast Guard, the National Guard, private, foreign. Who has it? So that if we can use it, we should use it.

And I just want to say, sir, with all due respect, Rear Admiral, you have chosen a profession to serve, and I am grateful for that, not just today because we had the spill, for probably your career has been 20-plus years and we are thankful. But this kind of thing is what we work towards. And in my opinion of being on both Transportation and Homeland Security, it is inexcusable not to know what you have, especially 55 days into it. And we need that, because if we have got to help you, if we have got to say repeal—you know, there should be no hindrance of Jones Act, whatever it is you need us to do, we want to do it. But we can only do it if we know what resources are available.

I have a minute and 15 seconds.

Based upon that exercise, why weren't we prepared for this? Because that is why we spend the money to do these exercises.

Admiral COOK. Ms. Richardson, we did the spill of national significance exercise. And when you are dealing with the spill from a vessel, no matter how large it is, it is a known quantity, even if you lose the entire contents of that vessel.

In this case, we have a well that continues to put out more oil and, as you see, it either changed in character or our ability to assess the oil has changed. But we realize it is a significant amount of oil each and every day. So that the finite limit associated with a ship which really the Oil Pollution Act of 1990, I think was really focused on that, is now being contorted by a well that continues to produce oil every single day. So it is a magnitude issue.

Ms. RICHARDSON. So I would only suggest that you knew the Deepwater Horizon was there before this happened 60 days ago, right?

Admiral COOK. We did.

Ms. RICHARDSON. So it might have been helpful if we were going to do a national level exercise we would do an exercise that could meet at its highest point of what could potentially be a problem. Because, as I said, the more I learn about this, the more I don't understand how no one thought that this would happen. To me, it seems a very reasonable expectation.

But, as I close, Rear Admiral, I just want to say thank you for your service. For all of those who are working with you, we thank you. We just need to get this done. And I don't have the confidence and a lot of the American people do not have the confidence that all of the things that need to be done are being done. And we cannot rely upon BP or anyone else. We have got to use our resources to get this done. And it has got to have been done yesterday and not ″we are still trying to negotiate or free up.″ We need it now, and if there is anything I can do to help you do that, you don't hesitate to let me know.

Admiral COOK. Yes, ma'am. I understand.

Sir, if I can just quickly—and this isn't in any way to be argumentative. In 2002, the spill of national significance event was on the Gulf Coast; and, ironically, Admiral Allen as the Atlantic area commander was the commander at that time as well. So we do try and choose venues that we think are reasonable, and I would have to say, that in this case, we did not imagine this much oil.

Mr. CUMMINGS. Let me ask you this quick one question. Did we do like an all call? Did the Coast Guard do like an all-call for skimmers? In other words, have we done anything like that, saying to the world we need skimmers or do you feel like there is already enough down there in the Gulf Coast? I mean—I know this is a very unusual situation, and I was just curious.

Admiral COOK. Prior to this week, the calls have been more targeted, looking for specific skimmers and trying to meet the needs.

But we realize that we need more. So, going on—and, in fact, I have been at work each of the last two nights until 10 o'clock on that particular issue of skimmers. And we are doing an all-call, all-calls out to the Navy.

Mr. CUMMINGS. And so that I can understand that—and thank you, Mr. LoBiondo. We are going to come to you. But I think this is so very important.

So, when you say an all-call, exactly what does that mean? I mean, does it go out to the maritime community? Is there some blast e-mail that goes out? I mean, how does that—if you know.

Admiral COOK. We started with direction from Admiral Papp to go out to all of our captains of the port and work with—and, you know, I don't want to throw in a bunch of terms that end up making this seem——

Mr. CUMMINGS. No, you don't have to do that. Just keep it real simple.

Admiral COOK. They have committees that are standing in each port that are made up of various stakeholders, including the States, locals, and federals. And they have a contingency plan for oil spill response. There are oil spill response organizations, OSROs, which are qualified by the Coast Guard, and those entities have equipment.

There are response plans required for every facility, like an oil terminal, or a ship coming in. They contract with those OSROs to make sure that equipment can be available if they have a spill in that port in that time frame.

So there is equipment throughout the country. It is tied up in requirements, commercial requirements——

Mr. CUMMINGS. Yeah, I understand. I'm talking about—but I would assume the all-call would be for people who might be available.

Because I have to tell you—and I have said this in many speeches—of all the positions that I have held in Congress for my 15 years, I can tell you that the maritime community is probably the most—and dealing with maritime issues, when it comes to issues of keeping the water clean and things of that nature, one of the most cohesive communities I have ever seen.

And I know there are a lot of people, not just in the maritime community, but others who want to make this work. As a matter of fact, I had a meeting with Mr. West down there in Port Fourchon, and one of the things that he said is that they are determined—and he deals in, of course, supplying to the rigs and things of that nature, and he works with the oil industry. But he said that one of his major concerns was to make sure—and their concerns was to make sure that they did everything in their power to help address this issue.

And so, there are a lot of people that are out there. I just want to make sure that we are calling on them.

And then I assume that BP would end up with the expense for this. Is that right? Since they are responsible for the cleanup under the Oil Pollution Act. Is that right?

Admiral COOK. Right, because these would be skimmers that the Federal on-scene coordinator says we need.

Mr. CUMMINGS. Uh-huh. We might have to take the money out of the fund, but then BP would have to pay us back. Is that right?

Admiral COOK. We have no reason to think BP wouldn't support contracting them now.

Mr. CUMMINGS. Fine, fine. Thank you very much.

Mr. LoBiondo?

Mr. LOBIONDO. Admiral Cook, in the SAFE Port Act of 2006, Congress required the Coast Guard to update regulations to extend requirements that vessels submit a notice not less than 96 hours before arriving at a point on the Outer Continental Shelf. To date, no final rule has been issued.

Can you tell us why the service has failed to comply with this law for nearly 4 years and when you will complete the rulemaking?

Admiral COOK. Congressman, there was some thought that that rule should be wrapped in with some other ongoing rulemaking, and it has been decided that it should be alone. Notice for proposed rulemaking was published and closed out in November of 2009. And the final rule is done and being administered through the system right now.

Mr. LOBIONDO. So, in terms of timing, what do you believe that might be?

Admiral COOK. It is actively being considered within the review process as a completed, final rule.

Mr. LOBIONDO. Or is it fair to say it might be stuck in the Secretary's office?

Admiral COOK. You know, it is in our administrative process——

Mr. LOBIONDO. Stuck somewhere.

Admiral COOK. I mean, sir, there are ones where I could say, you know, something was delayed and it seemed like it was stuck. This one is on its way, very much on its way.

Mr. LOBIONDO. Mr. Chairman, I don't know if it is appropriate, but maybe through your status as Chair of the Subcommittee, you might be able to urge someone to get back to the Committee with a timetable or, in fact, the final product. I think enough time has passed and it is something we need.

Mr. CUMMINGS. If the gentleman would yield, we will have a letter to the appropriate people tomorrow, inquiring as to where the rule is and the urgency of getting that rule out. I was kind of surprised that the rear admiral didn't know exactly where it is.

Mr. LOBIONDO. Yeah, I mean, if it is stuck somewhere, we need to know where it is stuck, and we need to then——

Mr. CUMMINGS. Get it unstuck.

Mr. LOBIONDO. —work to get it unstuck. But if we don't know where it is stuck, though—okay. Thank you.

Mr. CUMMINGS. Rear Admiral, did you want to say anything else about that?

Admiral COOK. I believe it is ready to be released, sir. So——

Mr. CUMMINGS. You said ready to be released?

Admiral COOK. I believe that it is.

Mr. CUMMINGS. Rear Admiral, do me a favor——

Admiral COOK. You know in your experience, sir, it is difficult——

Mr. CUMMINGS. I know, I know. I understand that.

Admiral COOK. —to get the final——

Mr. CUMMINGS. I understand that. But at least—I understand that all of that is not in your control. I got that. But I want to be—I mean, something that pertains to what you do, I would hope that would you get us that information as fast as you can. In other words, exactly where it is.

Admiral COOK. Okay. Yes, sir.

Mr. CUMMINGS. Go ahead. You want to tell me something?

Admiral COOK. It is a——

Mr. CUMMINGS. You keep saying—it sounds like it is almost out the door. I just want to know what door.

Admiral COOK. Well, I think the administrative review process between the agency and the Department is a seamless corridor there. So——

Mr. CUMMINGS. We will talk afterwards and we will figure it out, and we will get the appropriate letter to the appropriate people and hopefully get the appropriate response in a short period of time.

Mr. Taylor?

Mr. TAYLOR. Thank you, Mr. Chairman.

Admiral, I want to go back to the line of questioning about the equivalency of had that vessel been an American-flagged vessel and the appropriate level of Coast Guard inspection and had that been a foreign-flagged vessel. So walk me through this.

If that had been an American-flagged vessel, how often, by law, would it have had to have been dry-docked for a full Coast Guard inspection, which I am guessing would include the actual use of all the firefighting equipment, review of the pumps, review of literally from top to bottom of that vessel? How often does that happen for a U.S.-flagged vessel?

Admiral COOK. Well, we go out every year for the firefighting. And then what we do is also, during the course of the year, we lay out the compartments so that, during the different visits over the course of a year, we crawl the entire inside of the——

Mr. TAYLOR. And refresh my memory. How often does that vessel have to go into dry-dock for a full hull inspection?

Admiral COOK. I will have to get back to you on the record for that, sir.

Mr. TAYLOR. It is my understanding it is every 2 years. Okay? So what I am having a little——

Admiral COOK. Typically, it is twice in 5 years.

Mr. TAYLOR. Twice in 5 years. So I am having a little trouble with—going back to your saving it was an equivalent level of safety, when I read that the Deepwater Horizon had not had a dry-dock inspection since 2006 and wasn't due until 2011, that sounds like a 5-year center, rather than two on a 5-year center. Was I reading that correct?

Admiral COOK. Yes, you are.

Mr. TAYLOR. Now, again, not being smart, but steel is steel, rust is rust, corrosion is corrosion. What I can't figure is that somehow that foreign-flagged vessel was less likely to suffer corrosion and structural failure on the span of 5 years than an American vessel is on 2 years.

Again, I know folks in the industry. I know that your people go into that rating because they really do want to do a good job. They want to crawl through that vessel, they want to find something wrong, because they don't want that vessel to be unsafe. And they are doing it, apparently, every 2-1/2 years.

So how can you call a 2-1/2-year inspection cycle equivalent to a 5-year inspection cycle when we both know that somehow the laws of corrosion aren't suspended for a foreign-flagged vessel?

Admiral COOK. In either case, in a foreign- or a U.S.-flagged ship, we also allow things like underwater inspection in lieu of dry-docking, where the entire outside is videotaped and reviewed so that we can look for any anomalies.

So, in terms of a dry-docking, you know, there are things that are done to allow the dry-docking period to be 5 years. You can take a look at the 2-1/2-year mark. And those type of accommodations can be extended to both foreign- or a U.S.-flagged.

Mr. TAYLOR. Are U.S. standards too strict?

Admiral COOK. No. In every case, what we are aiming for is to either bring international standards to U.S. standards or, if for some reason the international standards are better, then we would adjust our own.

But I think, to answer your question, the U.S.-flagged standards are not too strict.

Mr. TAYLOR. Then, if U.S. standards are not too strict, are the foreign standards that you were signing off on too loose? Because they are not equivalent.

You are not going to convince me that a 2-1/2-year standard is the same as a 5-year standard in anybody's book. You are not going to convince me that the people from the Marshall Islands doing that inspection are inspecting that vessel as rigorously as your people, particularly when the Marshall Islands is a heck of a long way from the Gulf of Mexico.

So let's go back to your statement. Are they really equivalent? Because I don't believe that they are, but I will give you an opportunity to convince me otherwise.

Admiral COOK. Well, sir, just succinctly, the point of our inspections are to be able to ensure the U.S.-flaggeds are safe. And then we also go onboard foreign. And we leverage the different inspections that are going on on behalf of the flag state or by the flag state itself, and we verify that the level of safety is acceptable for service to the U.S.

Mr. TAYLOR. Well, Admiral, should we outsource the inspecting of drilling rigs? Should we outsource it to the Marshall Islands, if they are that good?

Admiral COOK. No, sir, I don't think we should.

Mr. TAYLOR. But you have effectively done that when you sign off on their inspection. You have outsourced it.

Admiral COOK. I would say we outsourced it if we didn't do a very rigorous verification and ensure that the level of safety that Marshall Islands has signed off to is being maintained on that vessel.

And we also invest a lot of time, energy, talent, working through the International Maritime Organization, to put every piece of backbone we can into the international agreements before they are finalized and deployed worldwide.

So we are very true to the goal of trying to ensure an equivalent level of safety.

Mr. TAYLOR. But, again, you correct me if I am wrong. You all are relying on a certificate, signed either by someone from the Marshall Islands or their designee, that the requirements that you normally enforce were enforced. You have, in effect, outsourced your responsibility.

Now, it may be a bad law that we need to change. But is it not true that you outsourced your responsibilities?

Admiral COOK. Congressman, I don't want to be argumentative, but I just can't agree that we have outsourced our responsibilities, because——

Mr. TAYLOR. So you did that inspection, not the Marshall Islands?

Admiral COOK. We validated that the vessel was up to acceptable standards through taking their certificates and then verifying it through our inspection.

Mr. TAYLOR. You took their word. You took their word. Yes or no?

Admiral COOK. Trust but verify, sir. We took their word and did a verification.

Mr. TAYLOR. Thank you, Mr. Chairman.

Mr. CUMMINGS. Let me ask you this. Does the Marshall Islands do inspections, to your knowledge?

Admiral COOK. They use recognized organizations like ABS.

Mr. CUMMINGS. So they don't do any inspections, right, to your knowledge?

Admiral COOK. No, they are not doing inspections to issue their own certificates. Right.

Mr. CUMMINGS. And so, in light of what has happened here, do you—I mean, have there been any discussions with regard to what you might—now, following up on Mr. Taylor's questions, in light of what has happened here, where we have the most catastrophic environmental incident that has happened to our country and continues to happen, have there been discussions as to what you all might do with regard to making sure that these standards are being met?

I mean, have you all said, ″You know what? We are not even going to discuss it, because we know that everything is excellent with the Marshall Islands″? I mean, have there been any questions that have arisen as to how our United States Coast Guard will deal with Marshall Island-flagged ships with regard to inspections and the adequacy thereof and the reliance on their word and how we verify? Has there been any of that, or have you all just said, ″You know what? We got it, it is already done, it is fine, everything is okay″?

Admiral COOK. Mr. Chairman, we continuously review the performance of flag states across the board on not just MODUs but, you know, the other types of vessels that we allow in on our port state control programs.

And Marshall Islands, I don't have the exact statistic in front of me, but they are a very reasonable performer. We have certain flag states that are, kind of, repeat offenders, and they become targeted for additional inspections.

Mr. CUMMINGS. Right.

Admiral COOK. And it is a risk-based regime, so we are continually assessing each flag state for their performance.

Mr. CUMMINGS. And so, if we can trust the foreign-flagged states, why do we do the CVE inspections for cruiseships? Why is that?

Admiral COOK. We have so many U.S. passengers that are going onboard the foreign ships that we felt like we wanted to have more of a presence onboard those foreign ships.

Mr. CUMMINGS. And in light of this catastrophe and the fact that so much harm is being brought to our country, I mean—and I understand, that makes sense, to look at the cruiseships. This doesn't say to you, well, maybe—say to the Coast Guard, maybe we need to do a little bit more here? I am just curious.

Admiral COOK. Well, we have those kinds of discussions, sir. We are interested in, certainly, the outcome of the investigation, as well. We don't know whether there is going to be implications to the maritime inspection regime or if it will all be about the drilling. So I think it is premature to go to a CVE type of arrangement for MODUs.

Mr. CUMMINGS. Mr. LoBiondo?

Mr. LOBIONDO. No more questions.

Mr. CUMMINGS. Then let me just finish with two or three more things.

You said a little bit earlier—I had asked you about how many of our Coast Guard folks were qualified to inspect the MODUs, and I think you said 69. Was that the number?

Admiral COOK. If I said 69, I meant 89.

Mr. CUMMINGS. How many?

Admiral COOK. Eighty-nine.

Mr. CUMMINGS. Okay, 89. How many of those people—these are the ones that are qualified, is that right? They have been trained?

Admiral COOK. Yes. They have an inspection qualification for mobile offshore drilling units.

Mr. CUMMINGS. Okay. And how many of those are actually in those positions right now? I understand you have them qualified, but I want to know how many are actually doing that right now.

Admiral COOK. I don't have that exact number. I can get back to you on the record, sir. Some of those people, you know, are rotated into oversight assignments where they are not actually doing inspections.

Mr. CUMMINGS. This is very important, because Mr. LoBiondo had asked you—and I know he really meant it, and he is absolutely right. He was asking about what more do we need.

And, see, when you tell me that it is 89 that are qualified, I know and we all know that the Coast Guard is overtaxed and we have folks who have to do all kinds of jobs. And so, when you say 89, 89 could mean 30 that are actually doing the job. It could mean 50. But if we don't know and if you don't know, there is a problem. And so, could you get us that information as fast as you can?

And, number two—and I don't see how you can answer this question without the information that I just asked you in the last question—is there a need for Congress to make it possible for you to have more people trained to be able to inspect these MODUs?

Admiral COOK. Well, Mr. Chairman, you know, we appreciate any support that is provided. We are, on our own, through some of the billets that were provided in earlier years, I think mostly a lot through your leadership and Chairman Oberstar, we have addressed some of the shortcomings in the marine safety program. And, like I said to Mr. LoBiondo, we have applied some of those

to a center of expertise that would be a point of synergy to further develop the program.

But it is premature to say exactly how many inspectors we might need, but we are doing that job task analysis, which we think will be very insightful, will enable us to know what the additional training load needs to be to get us the right amount of inspectors.

Mr. CUMMINGS. This is my last question: Admiral Cook, the OCSLA required that, within 6 months after September 18, 1978, the Secretary of the Department in which the Coast Guard is operating shall issue regulations which require that any vessel, rig, platform, or other vehicle or structure which is used at any time after the 1-year period beginning on the effective date of such regulations for activities pursuant to this subchapter be manned or crewed by citizens of the United States or aliens lawfully admitted to the United States for permanent residence.

However, there are circumstances under which vessels, rigs, platforms, and vehicles operating on the OCS can be exempted from the requirement that they employ only Americans. For example, if a vessel, rig, or platform is more than 50 percent owned by a citizen of a foreign nation or if an insufficient number of Americans are available to perform required work, vessels on the OCS can be exempted from the requirement that they employ only Americans.

Information provided to the Subcommittee by the Coast Guard indicates that, since January 2008, the Coast Guard has granted 52 exemptions, covering nearly 7,000 employees.

Were most of these exemptions based on a lack of sufficient number of Americans to perform the required work? And how does the Coast Guard assess whether there is not a sufficient number of Americans to perform a specific type of work?

Admiral COOK. Okay. The process involves submission to the Coast Guard——

Mr. CUMMINGS. Wait, let's go back. Why don't we deal with the first question first. Were most of these exemptions based on a lack of sufficient number of Americans to perform the required work?

Admiral COOK. Yes.

Mr. CUMMINGS. Okay. Now go ahead.

Admiral COOK. Okay. And some of those are only good for 1 year. So it is 7,000 in number; it may not be 7,000 in positions.

But the way it is done is the company submits the information to the Coast Guard, and they have evidence of having advertised for the job or whatever outreach they have done. That information is packaged up, sent to the Department of Labor. The Department of Labor validates it. And if they agree, they send us back what is called an advisory determination. And then that gives us the permission to issue a letter authorizing that company to hire someone that is not a U.S. mariner.

Mr. CUMMINGS. And what are the firms that receive the majority of the employment exemptions? And what are the types of positions that are most commonly exempted?

Admiral COOK. The most common exemption is for the galley or catering folks.

Mr. CUMMINGS. What kind?

Admiral COOK. The catering—the food service people.

Mr. CUMMINGS. Food service?

Admiral COOK. Yes, sir.

Mr. CUMMINGS. Wait a minute. You mean people to serve food and prepare it?

Admiral COOK. Right.

Mr. CUMMINGS. Do you know why that is, why we can't find people to serve food and prepare food? Because I have a lot of them in my district. I mean, I am sure they pay a reasonable amount of money. I am just curious.

Admiral COOK. We don't know for sure. We speculate that somehow they can make an equivalent living without having to go to sea, and they choose not to put in for those jobs.

Mr. CUMMINGS. Even if they are unemployed. Does your assumption still comes with that? I am just curious.

Admiral COOK. Well, I can't answer that, sir. The sea life is arduous for some people. But there may be another barrier.

Mr. CUMMINGS. Okay. How many of the vessels operating on the Outer Continental Shelf are exempt from employing Americans because they are more than 50 percent owned by citizens of a foreign country?

Admiral COOK. Could you state your question again, sir?

Mr. CUMMINGS. Sure. How many of the vessels operating on the Outer Continental Shelf are exempt from employing Americans because they are more than 50 percent owned by the citizens of a foreign country? Would you have that information?

Admiral COOK. No. What I have is the number of exemptions requested.

Mr. CUMMINGS. Okay. You can get that for me. We will get you a note, a letter, with additional questions, all right?

And just one last question: What are the firms that receive the majority of employment exemptions?

Admiral COOK. I will have to get that back on the record for you.

Mr. CUMMINGS. Do you know whether they are the same firms coming back over and over again?

Admiral COOK. Yes, because many of the positions are the same year after year.

Mr. CUMMINGS. All right.

Let me just say this as we close out this panel—did you have something else, Mr. LoBiondo?

Let me just say this. I want to make it very clear that I have the—I saw what the Coast Guard was doing down in the gulf coast. And I think they are doing a great job.

But let me say this. I think it is important that that job be done as effectively and efficiently as possible. And I really mean that. I think effectiveness and efficiency is number one—and urgency, and urgency.

And I just hope that—I pray to God that we can get this thing, this oil—stop this oil from coming up out of the bottom of the ocean and that we can help people get back to their regular way of life, because there is a lot of pain being suffered right now.

And, again, we want to thank the Coast Guard for all that you do. And we also thank you, Acting Maritime Administrator Matsuda. Thank you.

We will now hear from the next panel: Warren Weaver, manager of regulatory compliance, Transocean; Mr. Ken Wells, president,

Offshore Marine Service Association; and Mr. Jim Weakley, president of Maritime Cabotage Task Force.

I thank the gentlemen for waiting so long. We really appreciate it.

Mr. Weaver, we will hear from you first.

TESTIMONY OF WARREN WEAVER, MANAGER OF REGULATORY COMPLIANCE, TRANSOCEAN; KEN WELLS, PRESIDENT, OFFSHORE MARINE SERVICE ASSOCIATION; JIM WEAKLEY, PRESIDENT, MARITIME CABOTAGE TASK FORCE

Mr. WEAVER. Chairman Cummings, Ranking Member LoBiondo, and other Members of the Committee, I want to thank you for the opportunity to speak with you today.

My name is Warren Weaver. I am the manager of regulatory compliance for Transocean, Limited. Transocean is a leading offshore drilling contractor with more than 18,000 employees worldwide and more than 4,500 employees in the United States.

I have been with the company for more than 35 years, including more than 13 years in rig-based assignments. I am a former OIM unrestricted able-bodied seaman and lifeboatman and have a number of certifications relating to offshore rig operations and management. As manager of regulatory compliance, my focus is in assisting rig management with regulatory questions concerning class, flag, and international maritime organization and licensing.

The safety of our employees and crew members and compliance with regulations is of utmost importance. And the loss of lives on the Deepwater Horizon on April 20th is devastating to Transocean.

As requested by the Subcommittee, I am here today to address certain maritime aspects of Transocean's operations, including the flagging of our rigs.

Transocean operates 139 drilling rigs in 29 countries around the world. Less than 10 percent of Transocean's fleet is located in the Gulf of Mexico. There are approximately 37,000 vessels in the world, and less than 1 percent of those vessels are U.S.-flagged, or roughly 220 vessels. Approximately half of the global vessel fleet fly under the flags of Panama, Liberia, and Marshall Islands.

Transocean's mobile offshore drilling units, or MODUs, are constructed, classed, and certified for worldwide service. As rigs complete work under existing contracts, the MODUs will move into other locations somewhere else in the world. Transocean's operations of its MODUs strictly follow the laws and regulations in each of those 29 countries in which it operates, including the United States, and international standards, regulations, and codes applicable under IMO.

Nearly all of Transocean's MODUs are flagged outside the United States. The reasons for this are strictly logistical. Foreign-flagged MODUs that operate in U.S. waters meet or exceed all functional standards for U.S.-flagged MODUs. There is no material difference in terms of functionality or safety. The Deepwater Horizon rig complied with U.S. and international regulations.

A number of inspections are performed on foreign-flagged vessels and were specifically performed on the Deepwater Horizon. The inspection certifications fall into three categories: U.S. Coast Guard, flag administration, and class society.

Additionally, the U.S. Coast Guard has a program called QUALSHIP 21, which recognizes and endorses the most rigorous and proactive foreign-flagged nations. The Marshall Islands, where the Deepwater Horizon was flagged, is one of those QUALSHIP 21 nations.

The offshore exploration and production industry is global. To maintain maximum flexibility to move these MODUs to various locations around the world as the industry requires, foreign flagging is preferred.

Foreign flagging of MODUs has nothing to do with relaxed manning or safety standards. As the company has advised other congressional committees, foreign flagging does not convey any tax benefits. Foreign flagging does not reduce or diminish the required inspections and surveys.

Transocean remains deeply committed to the safety of our people. Transocean's operations meet all industry and legal standards, and we will continue to do so as the industry continues to evolve as a result of this tragedy.

I thank you for the opportunity to speak with you today. I have submitted my full testimony to the Committee, and I look forward to answering any questions you may have. Thank you, sir.

Mr. CUMMINGS. Thank you.

Mr. Ken Wells?

Mr. WELLS. Good afternoon, Mr. Chairman, Members of the Committee. My name is Ken Wells. I am president of the Offshore Marine Service Association. OMSA is the national trade association for the U.S.-flagged vessels that carry the supplies and personnel out to offshore energy projects, including the offshore supply vessel whose crew saved 115 survivors of the Deepwater Horizon disaster.

More than 60 years ago, our industry was born when fishermen and shrimpers began using their small boats to supply the needs of the first offshore projects. Today, their sons and grandsons run some of the most sophisticated offshore vessels in the world. In the future, we look forward to meeting the needs of the new alternate energy sources, like wind and hydropower.

In the interest of clarity, we do not operate drilling vessels. That is a very different type of vessel involving very different types of operations. And, for that reason, my comments refer to not MODUs but, rather, the other foreign-flagged vessels that work offshore.

OMSA-member vessels are part of the Jones Act fleet, meaning U.S.-flagged vessels with coastwise endorsements. By law, our vessels are owned by Americans, crewed by Americans, and built in American shipyards. Flying the American flag means we are inspected and boarded with regularity by the U.S. Coast Guard. We must comply with safety, security, labor, environmental, and tax laws.

We fly the American flag proudly. But please understand it can be expensive to operate a U.S.-flagged vessel and compete with foreign vessels that do not have to meet the same standards as our vessels.

That is why we have the Jones Act. It provides the capital security that has allowed our member companies to build more than 260 new offshore vessels in American shipyards over the last 3

years. It has allowed our members to create 100,000 American jobs ashore and at sea.

But we see the Jones Act being eroded. And despite the urgings of Congress, we don't see the Department of Homeland Security doing very much about it.

Today, we know there are 85 foreign vessels working in our offshore energy sector on a regular basis. An additional 60 foreign vessels were in the gulf and have departed over the last few months. We know that because, 2 years ago, we hired a full-time investigator to track those vessels.

We took that step because we realized that Customs and Border Protection and the Coast Guard lacked the fundamental tools to adequately track foreign vessels. Four years ago, the SAFE Port Act directed the Coast Guard to require foreign vessels to report their locations and purpose when they work in our offshore waters. But DHS has still not finalized those regulations.

So what have we found? Many security and safety concerns that I have touched on in my written testimony. We have also found what we believe to be a number of Jones Act violations. We found CBP's field units to be generally responsive and willing to investigate. But those cases, including two that are now more than a year old, appear to have disappeared once they reached headquarters, and DHS has been unresponsive on their status.

Another area of concern is whether these foreign boats are paying U.S. taxes. The IRS answered last year when it issued an industry directive which states, and I quote, ″Our analysis indicates that a significant number of foreign vessels permitted to work in the OCS do not comply with U.S. filing requirements.″ We understand the IRS is now preparing a second directive that questions whether foreign vessels are paying withholding taxes on their foreign workers, as well.

The last area I would like to discuss concerns DHS's apparent reluctance to properly interpret the Jones Act. For many years, we have been troubled that CBP has incorrectly interpreted the Jones Act as allowing foreign vessels to transport large items of cargo offshore for installation.

This came to a head in late 2008 when BP made a request to use a foreign-flagged vessel to transport a blowout preventer and a valve structure known as a Christmas tree to an offshore location. In its request, BP described that cargo with the arcane term, ″equipment of the vessel.″ They claimed that was not covered by the Jones Act. CBP agreed at first. But after we pointed out that that was not part of a vessel's equipment, like a life raft or an anchor, but rather a seven-ton piece of oil field equipment which would be installed on the wellhead for the life of the well, CBP took another look and told BP it could not use a foreign vessel to transport it.

Better yet, CBP followed up with a proposal to address several of its conflicting interpretations in a way that restored the clear meaning of the law. You will recall that Members of this Committee supported CBP's action and urged CBP to finalize that proposal.

But then a funny thing happened. Opponents of the Jones Act urged DHS to withdraw the proposal, and DHS did. CBP withdrew

the proposal in mid-September, saying it would be reissued in the near future. But instead, 6 months later, DHS stuck the proposal into an advanced notice of proposed rulemaking, almost guaranteeing it would drag on for years.

It now appears stuck in limbo. The future development of our industry hangs in the balance, and DHS has been completely unresponsive. It has left us frustrated and concerned about our government's willingness to uphold our fundamental laws or maintain American jobs.

In the interest of time, I will stop there and thank you for allowing us to submit the statement. And I will be pleased to answer questions. Thank you.

Mr. CUMMINGS. Thank you very much.

Mr. Jim Weakley?

Mr. WEAKLEY. My name is James Weakley. I am president of the Lake Carriers' Association and a former Coast Guard inspector. Today, however, I am also testifying on behalf of the Maritime Cabotage Task Force, a broad-based U.S. maritime coalition assembled to promote American cabotage laws.

Our American-owned, American-built, and American-crewed vessels operate under strict and extensive U.S. Coast Guard standards governing construction, maintenance, crewing, and operations. These regulations are the world's most effective and demanding. Our fleet is in the hands of hardworking American men and women who have a personal stake in our national security, economy, and environment.

International safety and environmental protection standards are issued under several conventions by the International Maritime Organization, a branch of the United Nations. Government responsibility for oversight and enforcement is vested in the registering nation, which is the nation whose flag the vessel flies, called its flag administration. Many flag administrations take their responsibility seriously. However, oversight and enforcement varies dramatically.

A flag administration used by vessel operators to avoid government regulations, taxes, and other costs is often referred to as a ″flag of convenience.″ Many of the foreign-flagged vessels competing with American sailors in the international trades are loosely regulated, often unsafe, and frequently crewed by poorly trained personnel. Some are even ″ships of shame,″ paying extremely low wages, few benefits, demanding inhumane schedules, under inhumane conditions.

The U.S. Coast Guard conducts port state control inspections on targeted foreign-flagged vessels to reduce the presence of substandard ships in U.S. waters. Higher-risk vessels are more likely to be inspected in or near a U.S. port to determine whether they pose a hazard to the port or the environment. The Coast Guard can deny, detain, or expel from U.S. waters a substandard vessel to ensure the safety, security, and environmental protection.

While there is a robust American-flagged presence in the Gulf of Mexico, foreign mobile offshore drilling units and support vessels routinely perform industrial tasks on the Outer Continental Shelf. Flags of convenience commonly used by these foreign vessels in-

clude the Marshall Islands, which registered the Deepwater Horizon, Panama, Liberia, the Bahamas, Singapore, and Malta.

As of last month, the Coast Guard's port state control program's list of flag administrations with a detention ratio higher than the industry average included Panama, Malta, and more.

Additionally, many of the previously named countries are relatively small, never visited by vessels they register, and lack national inspection infrastructure to ensure the vessels flying their flag meet international standards.

Also, the nature of the resource development work in the Gulf of Mexico and its proximity to other countries allows some of the foreign-flagged vessels engaged in this work to avoid calling on U.S. ports, which complicates our port state control inspection and its effectiveness.

Are American-flagged vessels generally safer than flag-of-convenience ships? For the many reasons I have explained, the answer is yes.

Additionally, American vessels provide important economic benefit to our Nation. According to a recent study by PricewaterhouseCoopers for the Transportation Institute, the U.S. domestic maritime industry generates $100.3 billion in gross economic output, $45.9 billion in value added, $29.1 billion in wages, and $11.4 billion in Federal, State, and local taxes. A significant portion of this economic activity takes place in the coastal waters of the Gulf of Mexico.

We hope that this Committee will consider these factors as it considers its response to the Deepwater Horizon spill. Thank you.

Mr. TAYLOR. [Presiding.] The Chair recognizes Mr. LoBiondo.

Mr. LOBIONDO. Thank you, Mr. Taylor.

Mr. Weaver, I believe—correct me if I am wrong—in your testimony, that you say that the Deepwater Horizon was registered in the Marshall Islands for purely logistical reasons?

Mr. WEAVER. Chairman LoBiondo, yes, our foreign-flagged units are registered in foreign flags so they—excuse me. They are registered with foreign flags so we can move them readily around the world.

As you know, other places of the world incorporate similar labor laws as the United States. We use U.S. citizens in the United States. We have to use foreign nationals when we are working in foreign national countries.

Mr. LOBIONDO. Well, it is just a little curious to me that, if it is purely logistical reasons, Marshall Islands or Western Pacific, something like 2,000 miles away from the gulf and nowhere near any offshore oil-drilling operations.

Do your vessels ever operate in the Marshall Islands or near the Marshall Islands?

Mr. WEAVER. No, the Marshall Islands registry—International Registries, Incorporated, has offices in Reston, Virginia. Most of their staff is run by former U.S. Coast Guard employees.

Mr. LOBIONDO. I understand that, but I am getting back to this ″logistical″ word that has me a hung up a little bit.

Mr. WEAVER. Well, for a U.S.-flagged unit working overseas, we use—for a U.S.-flagged MODU, we have to have—the master has to be a U.S. citizen onboard the unit.

Mr. LOBIONDO. Okay. And you continue to assert that this has nothing to do with tax or regulatory situations or costs?

Mr. WEAVER. No, it has nothing to do with taxes. And other committees have been told this from other areas.

Mr. LOBIONDO. Mr. Weaver, in your opinion, what would the impact of prohibiting foreign-flagged vessels from participating in offshore exploration, production, and transportation activities be?

Mr. WEAVER. I could speak with—I mean, as far as the MODUs go. I don't know about the transportation.

Mr. LOBIONDO. As far as the MODUs go.

Mr. WEAVER. But the MODUs, the large percentage of the offshore MODU fleet is foreign-flagged. So if you were—if those were excluded, is that the proper question?

Mr. LOBIONDO. Well, if we prohibited foreign-flagged vessels from participating in offshore oil exploration, then you are saying we wouldn't be able to do it.

Mr. WEAVER. I don't think you could ramp up the needs that you would have right away. I am not a professional in the industry to speak on that. But there could be other options, if they so desired. There are cases where you could dual-flag units.

Mr. LOBIONDO. Mr. Wells or Mr. Weakley, I know that you said you don't operate the mobile offshore drilling units, but do you want to venture a stab at answering that question? If we were to prohibit foreign-flagged vessels, what would that impact be?

Mr. WEAKLEY. Well, sir, if I would use the analogy from the fisheries industry, the Magnuson-Stevens Fishery Conservation Act actually reclaimed that resource from the foreign fishing fleets off our coasts. And they did that, in a way, by initially restricting the flag of the vessels. Today, we see a robust U.S.-flagged, U.S.-built fishing fleet.

I think the model is set. I think it can be done. I think Americans should benefit from the resources in the American Exclusive Economic Zone. We can build these ships. We can crew these ships. It is our oil. Taxes ought to be paid based on the profits to the United States Government, and the wages should be preserved for American citizens.

Mr. LOBIONDO. Mr. Weakley and/or Mr. Wells, under the Jones Act, only a U.S.-flagged vessel with a coastwise endorsement may provide any part of the transportation and merchandise by water between points in the United States.

What is your view if the Federal Government is enforcing the Jones Act as it were written and intended by Congress?

Mr. WELLS. Thank you, sir.

That would be precisely what we would be looking for. Our goal is to put Americans to work on the water, to put Americans to work in our shipyards. And our view is that the law is very clear. The law on its face should be very clear. And we think that it should be enforced, as you have said, the way Congress intended.

Mr. LOBIONDO. But it is your opinion, in your capacity, that the Federal Government is not enforcing it. Am I interpreting that correctly?

Mr. WELLS. They are not enforcing it effectively. They are not acting on cases that are brought before them. And they are not acting on interpretive matters that are pending.

Mr. LOBIONDO. Just one last one, Mr. Chairman.

Along these same lines, are there enough Jones Act-qualified vessels to meet the demands of the OCS? And what do you say can be done to increase the number of qualified vessels to meet the growing demand?

Mr. WEAKLEY. I would say that they are. And if there is an increase in demand, we will certainly build them. And once they are built, we will crew them. The best way to do that is to retake our Exclusive Economic Zone from the foreign ships out there taking our oil.

Mr. LOBIONDO. Okay. Thank you Mr. Chairman.

Mr. TAYLOR. Mr. Weaver, I want to follow up with you in my line of questioning to the Coast Guard. Going back to what the admiral had to say, two dry-dock inspections over the span of 5 years versus one every 5 years, do you think that is equivalent?

Mr. WEAVER. The requirement is two dry-dockings in 5 years, none to exceed 3 years.

Mr. TAYLOR. Same for the Marshall Islands?

Mr. WEAVER. Same for the Marshall Islands, an IMO regulation. It is in the IMO MODU code. And that is the requirement.

Mr. TAYLOR. When was the last dry-docking of the Deepwater Horizon?

Mr. WEAVER. I would have to get back with you on that. I am sure we have the information, but I don't have it with me right now.

Mr. TAYLOR. So you are absolutely certain it was within 2 years of the accident?

Mr. WEAVER. Excuse me?

Mr. TAYLOR. You are absolutely certain it was no more than 2 years from the date of the accident?

Mr. WEAVER. It is twice in 5 years and not to exceed 3.

Mr. TAYLOR. But you don't know the exact date.

Mr. WEAVER. I don't know the exact date.

Mr. TAYLOR. Do you know where it occurred?

Mr. WEAVER. Excuse me?

Mr. TAYLOR. Do you know where it occurred, the dry-docking?

Mr. WEAVER. Where it would do it?

Mr. TAYLOR. The most recent dry-docking of the Deepwater Horizon, where did that take place?

Mr. WEAVER. Offshore.

Mr. TAYLOR. In which country, sir?

Mr. WEAVER. United States.

Mr. TAYLOR. Okay. Do you know which shipyard?

Mr. WEAVER. No, we don't go to shipyard. We use underwater in lieu of dry-docking for these vessels because we can't fit in any dry docks.

The divers do the external hull inspections. Other components are examined no differently than a dry-dock. That is how the mobile offshore drilling units, the semi-subs are used. They use underwater in lieu of dry-docking, which is a dry-docking equivalency. And those are done twice in 5 years and once every—I mean, not to exceed 3. Excuse me.

Mr. TAYLOR. Do you remember the name of the firm that you hired for that purpose?

Mr. WEAVER. American Bureau of Shipping carries out our drydocking in accordance with their rules and regulations and the IMO rules and regulations.

Mr. TAYLOR. Okay.

The chairman has asked me to provide you with a couple of questions. And so, in his absence, I am going to read these.

The Deepwater Horizon was an MODU that was dynamically positioned; is that correct?

Mr. WEAVER. Correct.

Mr. TAYLOR. Okay. Was it classified under the law of the Marshall Islands as an MODU or as an MODU DPV?

Mr. WEAVER. It is under schedule MODU which is a DP mobile offshore drilling unit.

DPV is for mobile offshore units and drill ships.

Mr. TAYLOR. So which manning requirements apply for it? The DPV?

Mr. WEAVER. No, the schedule A.

Mr. TAYLOR. A certificate of inspection provided by the Coast Guard for United States MODU with dynamic positioning indicates that when a MODU is on location with fully operational dynamic positioning, the crew complement must include a master with an OIM endorsement, a mate with BS/BCO endorsement, two able-bodied seamen, one ordinary seaman, one chief engineer, one assistant engineer MODU certified, and two oilers.

What were the specific Marshall Islands manning requirements for the Deepwater Horizon when it was on location drilling with full operational dynamic positioning?

Mr. WEAVER. The schedule A on location requires an OIM barge supervisor, two BCOs, I think two ABs, and one ordinary seaman. And then it requires a maintenance supervisor.

I would have to actually look at the schedule to get into the exact details.

Mr. TAYLOR. So what about the chief engineer?

Mr. WEAVER. A chief engineer is only required—it also can be substituted for moves of more than 72 hours by a licensed maintenance supervisor.

Mr. TAYLOR. Is that under U.S. law or Marshall Islands?

Mr. WEAVER. These licenses we hold are U.S. Coast Guard licenses endorsed by the Marshall Islands. These are U.S. mariners that were on the Deepwater Horizon.

Mr. TAYLOR. How about an assistant engineer?

Mr. WEAVER. Who was on board?

Mr. TAYLOR. On board at the time of the accident.

Mr. MORRIS. We can get you the information on who was on board.

Mr. TAYLOR. Was there an assistant engineer on board at the time of the accident?

Mr. WEAVER. I don't know.

Mr. TAYLOR. How many oilers were on board at the time of the accident?

Mr. MORRIS. I don't know that, sir.

Mr. TAYLOR. Would you provide that for the record?

Mr. WEAVER. Yes.

Mr. TAYLOR. I am going to ask you the same question.

You are a vessel exploiting the mineral resources of the United States of America. That vessel was made where?

Mr. WEAVER. It was built in Korea.

Mr. TAYLOR. And it was licensed where?

Mr. WEAVER. You mean what flag does it fly on? Initially, it was flagged with Panama; and now it is flagged with Marshall Islands.

Mr. TAYLOR. And its corporate headquarters for the organization is where?

Mr. WEAVER. In Switzerland.

Mr. TAYLOR. So the combined resources aiding in the cleanup and recovery of the people who jumped overboard, recovery of those who lost their lives, tell me what has been the total response of the Korean government so far.

Mr. WEAVER. I have no idea.

Mr. TAYLOR. They got to build the ship. They obviously made some money on it.

Mr. WEAVER. The Korean shipyard built the ship, sir.

Mr. TAYLOR. How about the Marshall Islands? What has been their participation so far?

Mr. WEAVER. Their participation I believe has been in investigations, and that is as far as I know.

Mr. TAYLOR. Are they out there cleaning up the oil?

Mr. WEAVER. No, sir. Not that I know of.

Mr. TAYLOR. How about the Swiss where you pay your corporate taxes. Their participation has been what so far?

Mr. WEAVER. I do not know, sir.

Mr. TAYLOR. Would it be safe to say that the combined total of all of them is not one vessel out there, not one person out there participating in the cleanup?

Mr. WEAVER. I know we——

Mr. TAYLOR. I have been out there several times. I haven't seen anyone from any of those countries out there.

Mr. WEAVER. We have three other vessels out there to take care of the spill.

Mr. TAYLOR. Again, this is from the chairman, did officials in the Marshall Islands ever visit the Deepwater Horizon when stationed in the Gulf of Mexico?

Mr. WEAVER. The Marshall Islands goes through an annual inspection—yearly.

Mr. TAYLOR. Let us clarify. I am going to ask the question again. Did officials from the Marshall Islands ever visit that vessel in the Gulf of Mexico?

Mr. WEAVER. The registry assigns individuals to carry out the inspections. Certified marine inspectors are sometimes a classification society such as ABS, American Bureau of Shipping.

Mr. TAYLOR. No one from the Marshall Islands visited those vessels; is that correct?

Mr. WEAVER. I don't have the information specifically if Marshall Island people have been on the Deepwater Horizon.

Mr. TAYLOR. So, again, it was delegated out to the American Bureau of Shipping; is that correct?

Mr. WEAVER. As far as my knowledge would go, I don't know if their individuals have ever carried out the inspections other than ABS or one of their licensed—I don't know their license——

Mr. TAYLOR. To your knowledge—again, this is the chairman's question—has Transocean sought from the Marshall Islands any exemption to any Marshall Islands safety regulations?

Mr. WEAVER. No, sir.

Mr. TAYLOR. Mr. Wells, I am curious. I don't think to this—even 60 or 50 days into this we have any idea of the economic damage it has done to seafood, tourism. We know about the loss of 11 lives. We know of a lot of lives devastated by this. I am just curious, how much money do you think Transocean saved when they bought that rig in Korea?

Mr. WELLS. I don't know the answer to that, sir.

Mr. TAYLOR. Do you want to give me a rough idea on that?

Mr. WELLS. Not on my life, sir. I have no idea, sir.

Mr. TAYLOR. Mr. Weaver, when they bought the Deepwater Horizon, did Transocean try to manufacture with an American manufacturer?

Mr. WEAVER. I don't know, sir.

Mr. TAYLOR. Could you get back to me on that? I would be curious how much money they saved when they went over to Korea instead of an American shipyard.

How much money in taxes do you think Transocean saves by registering that vessel in the Marshall Islands and having their corporate headquarters in Switzerland instead of the United States.

Mr. WEAVER. If I could go back to my opening statement.

Mr. TAYLOR. Yes, sir.

I understand, Mr. Weaver, you are an international company, but you happen to have been pulling mineral wealth out of the seabeds of the U.S. territorial waters.

Mr. WEAVER. We don't take ownership of the minerals.

Mr. TAYLOR. But you were sure working in the U.S. territorial waters.

Mr. WEAVER. Right.

Mr. TAYLOR. Mr. Weaver, are you familiar with an inverted corporation?

Mr. WEAVER. Excuse me?

Mr. TAYLOR. Are you familiar with the term ″inverted corporation″?

Mr. WEAVER. No, sir.

Mr. TAYLOR. It is a term where companies, often in the offshore oil business, will see to it that whatever profits would have been made by something like the Deepwater Horizon are more than gobbled up by the note paid to the parent corporation on a mortgage on, say, that drilling rig. And since the United States of America, since most countries do not charge taxes on foreign investments, money made overseas, it is a very clever way of not only paying taxes in the country where you are pulling out the minerals, then you don't pay taxes in the host country as well.

I am just curious. Is Transocean what they would call an inverted corporation so that, in effect, they don't pay taxes anywhere?

Mr. WEAVER. I can't answer that question, sir. But in my opening statement I said, as the company has advised other congressional committees, foreign flagging does not convey any tax benefits.

Mr. TAYLOR. But an inverted U corporation does, sir.

Mr. WEAVER. I don't know.

Mr. TAYLOR. Again, from the chairman, I understand that you currently have 14 rigs operating in U.S. waters. Have you completed recently required tests on all of the blowout preventers you have on those rigs, and what were the results of those tests?

Mr. WEAVER. I don't have that information, sir.

Mr. TAYLOR. Okay. What would be a reasonable amount of time to expect that information from your corporation?

Mr. WEAVER. We will have to ask the appropriate people to provide that information.

Mr. TAYLOR. How about if we ask for 2 weeks or less and you get back to us.

Mr. WEAVER. We will get back to you with something.

Mr. TAYLOR. How many drilling rigs does Transocean own, and where are they currently flagged?

Mr. WEAVER. Transocean currently owns 139 drilling rigs. Ten percent of the rigs are located in the Gulf of Mexico, and we are located in 29 different countries around the world. We are currently flagged with Liberia, Marshall Islands, Panama, Vanuatu, one swamp barge with Indonesia, one Australian unit, one U.S.-flagged drill ship. And I am sure I am missing a few coming from my memory.

Mr. TAYLOR. Okay. The chairman would like to know, were the fire drills on the Deepwater Horizon performed every Sunday?

Mr. WEAVER. I don't know. They were supposed to be performed weekly. We can find out.

Mr. TAYLOR. Would you please?

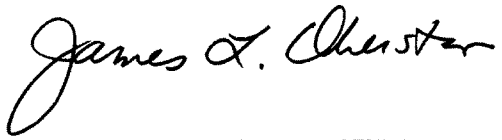
Because the question was—his concerns were if they were done on a regular, announced schedule, that you might have varying levels of competency at the time of the drill, varying levels of concern and, obviously, varying levels of quality performed with the drill.

Mr. WEAVER. Yes, sir.

Mr. TAYLOR. Well, gentlemen, thank you for being with us.

In this absence of the chairman's return, this hearing is adjourned.

[Whereupon, at 5:23 p.m., the Subcommittee was adjourned.]



COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
SUBCOMMITTEE ON COAST GUARD
AND MARITIME TRANSPORTATION

"Foreign Vessel Operations in the U.S. Exclusive Economic Zone"

June 17, 2010 – 2:00 p.m.
Room 2167, Rayburn House Office Building

Statement of Chairman James L. Oberstar

I thank Chairman Mr. Cummings for holding this important hearing into yet another important aspect of the *Deepwater Horizon* casualty.

Today the Coast Guard and Maritime Transportation subcommittee will examine the activities of foreign-flagged vessels operating in the U.S. exclusive economic zone as a part or our continuing effort to understand the *Deepwater Horizon* casualty.

Vessels, including mobile offshore drilling units, must have a nationality under international law. A vessel is said to be "registered" or "flagged" in a country, referred to as the "flag state".

Flag states are responsible for ensuring that vessels under their flag are in compliance with the laws of the flag state and international laws. Therefore, flag states are responsible for ensuring the so-called "recognized organizations" that carry out vessel inspections and certify that vessels comply with the law.

Some flag states set relatively low standards and conditions for owners and their vessels. They may accept substandard vessels into their registers. They may also take a weaker approach to the enforcement of safety laws aboard vessels under their flag.

We have been very concerned over reports that there may have been serious safety issues aboard the *Deepwater Horizon*. We have news reports and testimony that the vessel may not have been properly manned. Preventative maintenance was behind schedule as a result.

We are very concerned over reports that there was disagreement between BP and Transocean personnel over how to secure the well.

These reports lead us to question if there are gaps or deficiencies in the systems that are supposed to be in place to ensure that operations are carried out safely.

Recently, a representative of the Marshall Islands' Maritime Administration testified before the joint investigation board that the Marshall Islands has approximately

2,200 vessels under its flag. By contrast the United States has only about 94 ships under registry that engage in foreign commerce.

How does a flag state like the Marshall Islands with so many ships under register manage its responsibilities under international law effectively? Who verifies that the organizations the Marshall Islands recognizes to act on its behalf to inspect vessel under the Marshall Islands flag are doing their jobs? What role does our Coast Guard play with respect to inspecting foreign flag vessels?

The *Deepwater Horizon* was working for a British corporation, owned by a Swiss company and flagged in the Republic of the Marshall Islands. Still, the personal, environmental and economic losses caused by this casualty are being borne by Americans.

The Coast Guard reports that approximately 60 percent of the mobile offshore drilling units engaged in activities in the EEZ are foreign-flagged.

Quite frankly, the issue for me is that we should "Americanize" the oil industry fleet working U.S. waters?

I think it would serve the American people better. It would improve safety. This is what the subcommittee will explore today.

I look forward to the testimony of each of our witnesses and I thank you all for coming.

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Congresswoman Laura Richardson

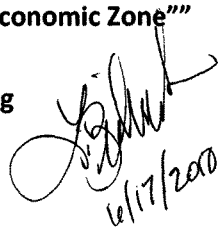
Statement at Committee on Transportation and Infrastructure Committee, Subcommittee on Coast Guard and Maritime Transportation

"Foreign Vessel Operations in the U.S. Exclusive Economic Zone""

2167 Rayburn House Office Building

Thursday, June 17, 2010

2:00 PM



Mr. Chairman, I'd like to thank you for calling this hearing to look at foreign vessels operating in the U.S. Exclusive Economic Zone. As the tragedy and cleanup in the Gulf have showed us, this is an issue that deserves this subcommittee's attention and scrutiny to ensure that we are doing what is necessary to protect our coastline and waters and we are taking full advantage of all resources to clean up this spill.

I believe there are two main issues to look at related to foreign flagged vessels. First, ensuring that inspections are done properly and companies don't cherry pick countries with lax requirements to get their flags. Second, we should take this opportunity to look at restrictions on foreign flagged vessels in helping clean the oil spill.

The situation that has developed in the Gulf Region over the last few months should raise concerns about safety standards involving

foreign vessels operating in the U.S. Exclusive Economic Zone. The explosion that took place on the *Deepwater Horizon* on April 20 is an incident that should be preventable. Nevertheless, the lesson that must be taken away from this event is that more stringent measures must be instituted. The paramount goal is to keep the crew of these vessels and the waters in which they conduct operations safe. Failure to accomplish this goal can translate into a disaster. It is my hope that this catastrophe provides us with a sobering reminder that such failure is not a viable option.

Beyond the current situation of the Gulf Region, events that have transpired over the last few years indicate that more safeguards are required to keep Americans and their way of life safe. This is a time for more oversight and more rigorous measures, not less, and this spill should serve as a tragic reminder that we must update our system of registration.

The incident in the Gulf is unprecedented and will easily be the biggest environmental catastrophe in our nation's history. However the United States should not view itself as alone in dealing with this cleanup. There is expertise around the world in dealing with oil spills. Unfortunately oil spills occur in all corners of the world and techniques and technology have been developed by dozens of nations to deal with these spills.

We must leave no stone unturned looking for help and solutions. More than 20 countries have offered assistance, however we have turned down far more offers than we have accepted. While we have accepted assistance from Canada, Germany, Mexico, Netherlands, Norway, the United Nations' International Maritime Organization and the European Union's Monitoring and Information Centre, reports abound that we have turned down assistance and world class equipment, particularly skimmers, from several sources.

There have been conflicting reports as to why we have turned down help. The Coast Guard has claimed they have accepted all offers that could help the cleanup. However there are state of the art boats available around the world that are not being utilized. Given the magnitude of the spill, I have a hard time understanding how we could not use some of these vessels. The people living in the Gulf look out at their oil soaked coastline and often don't see a single vessel working to clean the oil, while vessels intended for just such a purpose sit idle in foreign ports after offering their assistance.

I hope to hear from the witnesses as to why the Coast Guard has turned down assistance and if they truly believe all resources are being used to clean up the spill. And I hope our leaders are truly looking at every possible source of assistance.

I am concerned that some of the failure to utilize all available foreign resources is due to actual or perceived barriers from provisions in the Jones Act. The Jones Act mandates that U.S. vessels are used in the clean up unless they are not available. The administration can grant waivers for this provision, and have stated they are ready to grant expedited waivers if anyone applies, yet not a single application has been received.

However news reports still abound that the Jones Act is preventing the full utilization of foreign skimmers and other vessels to aid in the cleanup. To ensure that the Jones Act does not actually deter the use of foreign vessels, or is not perceived to be deterring the use of foreign vessels and perhaps dissuading offers of assistance, I am preparing legislation that would automatically allow the use of foreign vessels after a major environmental catastrophe if U.S. vessels are not available. This would alleviate the necessity for the waiver process and ensure everyone understands that Jones Act provisions are not preventing us from doing all we can to respond to a disaster.

I'd like to thank the Chairman again for calling this timely hearing and thank the witnesses for appearing before us today and I look forward to hearing their statements.

Thank you, Mr. Chairman

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STATEMENT OF
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"FOREIGN VESSEL OPERATIONS ON THE U. S. OUTER CONTINENTAL SHELF"

BEFORE THE
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

JUNE 17, 2010

INTRODUCTION

Good morning Mr. Chairman and distinguished members of the committee. I appreciate the chance to appear before you, to discuss issues related to foreign vessel operations on the U.S. Outer Continental Shelf (OCS) involving the exploration and exploitation of mineral resources.

In my role as Coast Guard Director of Prevention Policy, one of my primary responsibilities is to oversee the compliance of vessel, offshore facility, and mobile offshore drilling units with all applicable U.S. and International laws, regulations, and policies.

ROLE/RESPONSIBILITY ON THE U.S. OUTER CONTINENTAL SHELF

In accordance with the Outer Continental Shelf Lands Act (OCSLA), 43 U.S.C. § 1331 et. seq., and numerous Memoranda of Understanding and Agreement with the Minerals Management Service (MMS) and the Occupational Safety and Health Administration (OSHA), the Coast Guard promulgates and enforces safety and security regulations governing vessels—including facilities, fixed and floating production platforms, and Mobile Offshore Drilling Units (MODUs) when operating as vessels—on the U.S. Outer Continental Shelf (OCS). With regard to MODUs specifically, the Coast Guard is responsible for inspection of the MODU's hull structure, electrical system safety, lifesaving and fire fighting systems and equipment, and for verifying the unit's crew is capable of conducting satisfactory abandon ship (unit) and fire drills. MMS is responsible for the inspection and testing of the production and drilling systems and production operations of the MODU from the unit's drill floor to the subsea well.

In carrying out these responsibilities, the Coast Guard cooperates with numerous agencies such as the Customs and Border Protection (CBP), Maritime Administration (MARAD), Environmental Protection Agency (EPA), MMS, OSHA, etc., as well as industry partners in order to enhance the safety and security of the maritime industry on the OCS.

The Coast Guard, consistent with its statutory authority:

- Conducts annual safety and security inspections of all U.S. and foreign flagged fixed or floating production platforms, MODUs, and vessels operating on the OCS;

- Promulgates and enforces regulations and may modify any regulation, interim or final, applying to hazardous working conditions related to activities on the OCS, and promulgates other regulations as may be necessary to promote the safety and security of life and property on the OCS;

- In conjunction with MMS, promulgates and enforces regulations to provide for scheduled onsite inspections, at least once a year, of each facility on the OCS that is subject to any environmental, safety or health regulation promulgated by the Coast Guard pursuant to OCSLA, and also provides for periodic onsite inspection without advance notice to the operator of such facility to assure compliance with environmental, health or safety regulations;

- Reviews any allegation from any person of the existence of a violation of a safety or health regulation or other unsafe working condition on the OCS;

- Investigates and makes a public report on any death or serious injury occurring as a result of operations conducted pursuant to OCSLA, and may investigate and report on other injuries, casualties or accidents; and,

- Initiates appropriate civil and criminal procedures and other action to enforce any provision of the OCSLA or any regulation issued under this Act.

FOREIGN OPERATIONS ON THE U.S. OCS

Foreign vessels, foreign floating production units, and foreign MODUs are permitted, and carryout operations on the U.S. OCS related to the exploration and exploitation of mineral resources. However, there are numerous restrictions on their operations.

The "Jones Act" 46 U.S.C. § 55102 restricts foreign vessels from transporting cargo between points in the U.S., including those on the U.S. OCS. CBP, the Coast Guard and MARAD have a memorandum of understanding (MOU) to cooperate in the enforcement of this restriction. Foreign floating production units and MODUs are also restricted from operating on the U.S. OCS without a valid Coast Guard Certificate of Compliance (COC). In order to maintain a valid COC these entities must undergo a Coast Guard safety and security examination annually. Each foreign vessel involved in OCS activities is also required to undergo a satisfactory Coast Guard Port State Control examination once the vessel enters within 12 nautical miles of the U.S. coast line.

FOREIGN EMPLOYMENT EXEMPTIONS

The authority to grant exemptions from the congressionally mandated employment restrictions on the U.S. OCS is found in the Outer Continental Shelf Lands Act (OCSLA), 43 U.S.C. § 1331 et. seq. The Coast Guard has promulgated implementing regulations in 33 CFR, Part 141 to enforce the applicable sections of OCSLA. The Coast Guard has also issued policy guidance in the form of a Navigation and Vessel Inspection Circular (NVIC 7-84) entitled, "OCS Citizenship Requirements; Exemptions from" to assist the public in submitting these employment requests.

These regulations require, in essence, that all employers of personnel on any unit engaged in OCS activities must hire U.S. citizens or resident aliens. The regulations do, however, provide for exceptions known as "exemptions." The Coast Guard is therefore authorized to permit a foreign OCS unit (e.g. a vessel or offshore drill platform) to operate on the U.S. OCS without employing U.S. workers, and to permit an employer (e.g. a U.S. employer) to hire foreign workers to fill positions on units operating on the U.S. OCS. In the first instance, if it is demonstrated to the Coast Guard that an OCS unit is either 50 percent or more foreign-owned or foreign-controlled, then 33 CFR Part 141 does not apply to that OCS unit and a letter is issued by the Coast Guard stating so. Where, however, the regulations do apply, an employer must demonstrate that there is not a sufficient number of U.S. citizens or resident aliens "qualified and available" to fill the positions on the OCS unit owned or operated by the employer seeking the exemption.

NVIC (7-84) provides, in greater detail, the supporting documentation the Coast Guard needs to process a request from an employer seeking an exemption from the regulations that mandate the hiring of a "qualified and available" U.S. workforce. This type of exemption requires the employer to provide, for example, documentation demonstrating the employer advertised for the positions sought to be filled and interviewed applicants, and also describes efforts made to train and promote U.S. citizens from their existing workforce.

The Coast Guard will also, by regulation, coordinate with the U.S. Department of Labor (DOL) to determine whether the documentation provided supports an advisory finding that there are no "qualified" U.S. citizens or resident legal aliens "available" to fill the positions identified by the employer. Once DOL provides a favorable advisory determination based on that the submitted documents which support the request to hire foreign labor, that the Coast Guard will issue an exemption letter. These letters are valid for one year, which means an employer must re-submit documentation to demonstrate a need to hire foreign workers every 12 months.

FOREIGN VESSELS INVOLVED IN DEEPWATER HORIZON SPILL RESPONSE

There are approximately 200 vessels assisting in the DEEPWATER HORIZON Source control activities in the vicinity of the well. This includes a wide range of U.S. vessels and 14 foreign vessels either engaged or contracted to engage, in the spill response. Examples of the work being carried out by these foreign vessels include:

- The Norwegian flagged subsea construction vessels VIKING POSEIDON, SKANDI NEPTUNE, OCEAN INTERVENTION III, and the Spanish flagged BOA DEEP C have been conducting the subsea equipment management, including the Remote Operating Vessel video footage.

- The foreign drillship DISCOVERER ENTERPRISE, a Marshall Islands flagged vessel, has been the primary drill ship recovering the oily water flowing from the damaged well since spill response operations began. The Liberian flagged TOISA PISCES and Great Britain flagged LOCH RANNOCH are currently making preparations to assist in the recovery operations. These two vessels have been hired because of the unique characteristics they possess, specifically their dynamic positioning systems, which will enable them to remain on station to conduct response operations, yet be rapidly able to cease operations and move to safety in the event of a hurricane.

- The MODUs DEVELOPMENT DRILLER II and DEVELOPMENT DRILLER III, both Vanuatu flagged, are carrying out the relief well drilling operations for the damaged well. These foreign vessels undergo Coast Guard examinations prior to operating.

U.S. FLAGGED VESSELS VS FOREIGN FLAGGED VESSELS EXAMINATIONS

The primary difference between Coast Guard inspections of a U.S. flagged vessel versus a foreign flagged vessel, including MODUs, is that: for U.S flagged vessels, the Coast Guard is responsible for carrying out the inspections, tests and surveys required to issue the statutory certificate; and for foreign vessels, the flag State or Recognized Organization (RO), working on behalf of the flag State is responsible for carrying out the inspections, tests and surveys required to issue the statutory certificates.

For U.S. flagged vessels, as authorized by 46 U.S.C. § 3316, the Coast Guard may accept certain flag State statutory certificates issued to vessels by authorized classification societies or ROs, such as the American Bureau of Shipping (ABS). The Coast Guard reserves the responsibility for issuing the Certificate of Inspection (COI). However, a RO may participate in the plan review and inspections necessary for issuance of this certificate. Whenever the Coast Guard allows an RO to perform any flag State duties on its behalf, the Coast Guard involvement consists primarily of liaison with the RO, policy determinations and oversight with respect to work the Coast Guard delegates to class societies pursuant to 46 U.S.C. § 3316, and work that the Coast Guard accepts pursuant to its authority under the Outer Continental Shelf Lands Act, 43 U.S.C. § 1331 et. seq.

Statutory certificates are issued by the flag State to document that the vessel meets the requirements of domestic and international standards pertaining to the relevant convention. Statutory certificates, such as the Coast Guard issued COI, allow a U.S. vessel to operate. International statutory certificates, like the MODU Safety Certificate, demonstrate that the MODU meets the statutory requirements of the International Maritime Organization (IMO) MODU Code.

The Coast Guard does not perform flag State level inspections on foreign flagged vessels if the vessel's flag State has an inspection and certification program with equivalent standards of that maintained by the U.S., or if the flag State performs the necessary work to issue all of the applicable IMO Convention certificates to the vessel. The United States is signatory to these IMO Conventions and recognizes the flag State involvement through Port State Control (PSC); this is written in law (see 46 U.S.C. §§ 3303, 3505 and 3711 and 43 U.S.C. § 1348). In these instances, the Coast Guard will conduct Port State Control examinations on the foreign freight vessel, foreign passenger vessel, foreign tank vessel, and/or foreign MODU to verify compliance with domestic laws, regulations and International Conventions. PSC examinations satisfy these statutory examination requirements.

PSC provides an examination of sufficient breadth and depth to indicate that a vessel's major systems are in compliance with applicable international standards and domestic requirements, and the crew training and performance, such as lifesaving and firefighting drills, meet the relevant standards.

The scope of Coast Guard PSC examination for all of these vessels exceeds current international guidelines for PSC. Coast Guard PSC examinations include inspection and equipment tests and emergency drill requirements far beyond those required by other PSC regimes. The Coast Guard never delegates PSC responsibilities to an RO. Through the PSC program, the Coast Guard ensures the foreign flag safety regime is equivalent to that of the U.S. flag.

When a PSC examination reveals questionable equipment, systems, or crew competency issues, the Coast Guard expands the exam as necessary to determine whether a deficiency exists. The scope of the expanded exam is not limited, and the inspector may require additional tests, inspections, or crew drills to the extent deemed necessary to determine whether or not a deficiency exists. When deficiencies exist, the Coast Guard documents these deficiencies on a "PSC Report of Inspections and/or Deficiencies" (Form CG-5437 A/B), and mandates correction of the deficiencies. Depending on the severity of the deficiencies, the Coast Guard may detain a vessel or curtail vessel operations as appropriate until the deficiencies are corrected.

The Coast Guard issues a Certificate of Compliance (COC) to Gas and Chemical Carriers, Oil Tankers, Passenger Ships, and MODUs after a satisfactory PSC examination. A COC documents that a foreign vessel has been examined by the Coast Guard and it meets the regulatory requirements to operate in U.S. waters, including the U.S. OCS.

NOTICE OF ARRIVAL INFORMATION

Current regulations found in 33 CFR 146.202 require all MODU owners/operators preparing to operate on the U.S. OCS to provide 14 day Notice of Arrival (NOA) to the Coast Guard District Commander for the area on the U.S. OCS on which the unit will operate. This NOA information must include the location and date OCS operations are expected to commence, and their anticipated duration. These regulations also require the MODU owner/operator to notify the District Commander before relocating the unit.

On June 22, 2009, the Coast Guard published a Notice of Proposed Rulemaking (NPRM) entitled "Notice of Arrival on the Outer Continental Shelf" in the Federal Register (74 FR 29439). The rule, as proposed, would increase overall maritime domain safety and security awareness by requiring NOA information for all foreign vessels, floating facilities, and MODUs arriving on, and engaging in, OCS activities. The rule also proposed to require NOA submission for all movements between lease blocks on the U.S. OCS. The Coast Guard is working to finalize this rule as soon as possible.

LONG RANGE IDENTIFICATION AND TRACKING

Using satellite technology, the Long Range Identification and Tracking (LRIT) system tracks the positions of all vessels subject to the International Convention for the Safety of Life at Sea (SOLAS) regulation. Vessels on international voyages subject to the rule include cargo ships of 300 gross tons and greater, passenger vessels carrying more than 12 passengers, and all self-propelled MODUs.

This international system is designed to allow SOLAS Contracting Governments access to flag, port, and coastal state LRIT information. The United States receives worldwide tracking information from all U.S. flagged SOLAS vessels, and all foreign flagged SOLAS vessels inbound to U.S. ports. The U.S. also has access to LRIT information from foreign flagged vessels transiting within 1,000 nautical miles of the U.S. coast. The worldwide LRIT system became operational on December 31, 2008.

AUTOMATIC IDENTIFICATION SYSTEM CARRIAGE REQUIREMENTS

SOLAS requires Automatic Identification Systems (AIS) to be fitted aboard ships operating on an international voyage, including the U.S. OCS, to include all vessels of 300 gross tons or more, all passenger ships regardless of size, all cargo ships of 500 gross tons or more on any voyage, and all self-propelled MODUs. The current domestic AIS requirements found in 33 CFR 164.46 apply to the navigable waters of the U.S. (out to 12 nautical miles from U.S. coastline). It is estimated that more than 40,000 ships operating world-wide currently carry AIS class A equipment.

At any given time, depending on OCS activity, there are 4,000 or more facilities, fixed and floating production platforms, and MODUs operating on the U.S. OCS. All of the fixed production platforms (approximately 3,800) are U.S. The majority of the floating facilities, floating production platforms, and MODUs are foreign flagged.

Thank you again for the opportunity to testify today. I am happy to answer any questions you may have.

Department of Transportation
Statement of the Acting Maritime Administrator
David T. Matsuda
Before the
Sub-Committee on Coast Guard and Maritime Transportation
United States House of Representatives

Hearing on
Foreign Vessel Operations in the U.S. Exclusive Economic Zone

June 17, 2010

Good afternoon, Mr. Chairman and Members of the Committee. Thank you for the invitation to testify regarding offshore oil exploration, production, and support vessels and the U.S-flag merchant marine.

President Obama has said that the oil spill in the Gulf Coast is the worst environmental disaster of its kind in our nation's history. From the start of this crisis the Maritime Administration (MARAD) has supported the ongoing relief effort and monitored the impact on the maritime industry. MARAD is committed to working with the federal departments and agencies on the front lines of the response effort and providing them with whatever assistance they may need. We activated our command center as well as provided personnel to assist at the United States Coast Guard National Incident Command center, the Interagency

Solutions Working Group, and with Marine Transportation System Recovery Units along the Gulf Coast. Fortunately, this spill has not significantly impacted the nation's marine transportation system – commerce and trade have continued, but with a navigator's watchful eye to avoid fouled Gulf waters. MARAD continues to monitor the impacts so that our nation's marine transportation system stays one step ahead of the oil.

I would like to express my condolences to the families of the eleven Deepwater Horizon crew who did not survive the explosion. We mourn their loss and we, like our sister agencies, are working diligently to make sure that this type of event does not occur again.

The Maritime Administration family was touched first hand by the tragic fire that overwhelmed the Deepwater Horizon. Two graduates of the United States Merchant Marine Academy were on board and both are heroes. Darin Rupinski, from Stony Point, New York, is a 2008 U.S. Merchant Marine Academy graduate. He was aboard the Deepwater Horizon when the explosion occurred and he helped lead the evacuation of the platform. After the fire, he credited the training he received from Kings Point with saving his and the lives of many others.[1] James Mansfield, who is a member of the U.S. Merchant Marine Academy Class of 2000 from Pipe Creek, Texas, was also aboard and was injured. Our thoughts remain with him through his recovery.

[1] http://fastlane.dot.gov/2010/05/merchant-marine-academy-grad-helps-lead-evacuation-of-deepwater-horizon.html

Among the first vessels to respond to the distress call of the Deepwater Horizon was the *Damon Bankston*, a vessel that was built in the United States, documented in the United States, and crewed by United States mariners. As her crew began pulling members of the Deepwater Horizon's crew from the Gulf she was joined by other U.S.-flag vessels that battled the blaze and saved a majority of the 126 crew who had to abandon the stricken oil rig. In the weeks that have passed since the sinking of the Deepwater Horizon numerous U.S.-flag vessels have responded to the crisis.

I want to emphasize that the Administration is committed to making certain that every asset possible is available to address this catastrophe. As this Committee knows well, the Jones Act requires that all cargoes transported between U.S. points must move aboard vessels that are U.S.-flag, U.S.-built, U.S.-owned and crewed by U.S. mariners.

Under certain circumstances, exceptions can be made to the Jones Actrequirement.Through the authority of the Secretary of the Department of Homeland Security, U.S. Customs and Border Protection (CBP) is the agency responsible for granting or denying any requests for a waiver to the Jones Act. This is made after the Department of Defense, U.S. Coast Guard, and Department of Energy determine that it is not against U.S. national security interests to grant a waiver. As a threshold, however, such a determination is made only after the Maritime Administration finds that there are no U.S.-flagged vessels available for operation. There are also times during an

event such as the Deepwater Horizon oil spill where the United States Coast Guard Federal On-Scene Coordinator can make an exception to U.S. cabotage laws to ensure that specific oil spill response vessels (OSRV) receive urgent attention and processing. [2]

When the Maritime Administration receives notification from either the Coast Guard Federal On-Scene Coordinator or CBP that it has received a request, the agency immediately queries industry for available U.S.-flagged mariners and vessels. MARAD and CBP are bound by a Memorandum of Understanding that requires MARAD to respond to CBP within 48 hours with a determination on the availability of U.S.-flag vessels.

In one situation during this oil spill response, a company tried to hire specialized foreign-built barges that could assist in the oil spill response and requested a waiver of the Jones Act. As is practice in all Jones Act waiver requests, CBP asked MARAD to determine if U.S.-flag barges were available that could meet the requirements of the operator. MARAD was able to locate many available equivalent U.S. –flag vessels and so informed CBP.

There are more than 100 U.S. firms that own and operate over 1,830 coastwise qualified offshore marine service vessels. These vessels include crew boats that transport workers to and from the U.S. to the offshore facilities as well as tugs, barges, and supply boats that carry every commodity required to operate and maintain the oil rigs.

[2] 46 USC sect. 55113

According to the Offshore Marine Service Association these vessels employ more than 12,000 U.S. mariners and support the offshore oil and gas industry that has a payroll of over $1.2 billion.

During the current situation in the Gulf of Mexico, U.S.-flag vessels have been used in every situation where U.S. vessels and crew are available. Seventy-seven percent of the vessels providing oil spill response in the Gulf are U.S.-flagged. For example, the extremely large cofferdam containment structure that was lowered in the early attempt to cover the spill on May 7, 2010 was transported to the site by a highly capable U.S.-flag vessel, the *Joe Griffin,* operated by Edison Chouest Offshore.

Even though twenty-three percent of the vessels responding to the oil spill are not U.S.-flag, none of these are known to be in violation of any U.S. law or regulation. Vessels that do not call upon points in the United States are not in violation of the Jones Act. There are also situations, especially in the energy exploration industry, where a vessel is so specialized and expensive to build and operate that there are only a few in the world like it. When a U.S.-flag vessel is not available or there is not a U.S. vessel with the equivalent capabilities of a foreign flag vessel, the operator may apply for a waiver of the Jones Act.

Recently, President Obama placed a 6-month moratorium on new offshore oil drilling in waters deeper than 500 feet until we can be sure it can be undertaken safely. This

temporary moratorium will not impact deepwater port facilities licensed by MARAD as they are fundamentally different from the Deepwater Horizon facility. The Deepwater Horizon facility is an offshore rig intended for domestic oil drilling exploration and production. Deepwater ports, which are licensed by MARAD, are intended to facilitate the importation of Liquefied Natural Gas (LNG) and petroleum products into the United States by specially designed tankers. Deepwater LNG ports are not used in the exploration for, or production of, oil, gas or other mineral resources in the Outer Continental Shelf of the United States.

In the past 8 years, three deepwater ports have been licensed and constructed for the importation of LNG. These facilities have been specifically designed to minimize and mitigate adverse impacts on the marine and air environment. LNG spill risks are localized and confined to the deepwater port and its immediate surroundings. The construction of deepwater port terminals enhances safety and security by isolating terminals away from congested population areas and reducing the need for large tanker ships to enter congested land-side port areas.

In closing, I would like to again commend the work of our nation's heroic merchant mariners. Just as the U.S. merchant marine has capably served as a naval and military auxiliary in time of war, the Jones Act has ensured that we have a merchant marine that is capable of responding in time of national emergency in our coastal waters. While

there are foreign-flag vessels operating in the U.S. exclusive economic zone in the Gulf of Mexico due to specific circumstances that require their unique services, they are not in violation of the Jones Act.

Thank you again for the opportunity to testify today. As always, the Maritime Administration will continue to work closely with the Committee to support the United States merchant marine and provide jobs to U.S. mariners. I look forward to working with you on advancing maritime transportation in the United States, and am happy to respond to any questions you and the members of this Committee may have.

Testimony of
James H.I. Weakley
President, Lake Carriers' Association

On Behalf of
Maritime Cabotage Task Force

Hearing on Foreign Vessel Operations in the United States Exclusive Economic Zone

Subcommittee on Coast Guard and Marine Transportation
Committee on Transportation and Infrastructure

June 17, 2010
2:00 PM
2167 Rayburn House Office Building

Good afternoon and thank you for holding this hearing today on this important, but often overlooked, subject. My name is James Weakley. I am the President of the Lake Carriers' Association, an organization of U.S.-flag vessel operators on the Great Lakes. Today, however, I am also testifying on behalf of the Maritime Cabotage Task Force, the most broad-based coalition the U.S. maritime industry has ever assembled to promote the Jones Act and other American cabotage laws. Its 400-plus members span the United States and its territories and represent vessel owners and operators, maritime labor groups, ship construction and repair yards, marine equipment manufacturers and vendors, trade associations, dredging and marine construction contractors, pro-defense groups, and companies in other modes of domestic transportation. The United States has built upon a foundation of U.S. ownership, construction and crews an unsubsidized domestic fleet and related maritime infrastructure that is the world leader in efficiency, innovation, and safety.

Our vessels operate under strict and extensive Coast Guard standards; they are well-built, well-maintained, and crewed by well-trained American officers and crew. The regulations advanced and enforced by the U.S. Coast Guard on our vessels are the most effective and demanding in the world. Relying on U.S. citizens to build, operate, and crew these vessels while navigating the coasts and rivers of America means not only that these well-paying, family wage jobs stay in America, but that our fleet is in the hands of hard-working men and women who have a personal stake in the environmental and economic well-being of the United States. Communities across America are safer for having these American vessels serve our nation's maritime transportation needs.

History has shown that favoring American vessels engaged in operations within our Exclusive Economic Zone produces significant benefits for the nation. In 1976, Congress enacted legislation that extended our nation's fisheries jurisdiction out to 200 miles offshore. The purpose was to better manage the fishery resources off our coasts, which were seriously threatened by foreign over fishing and exploitation. By giving American vessels first priority access to that resource over foreign-flag vessels, Congress created a system that eventually replaced all of the older foreign fleets with modern American vessels. This "Americanization" of the fishing industry not only produced some of the best managed fisheries in the world, it also increased fishing vessel safety while simultaneously securing for Americans far more of the economic benefits of fishery resources.

Our vessels must meet federal, state, and local laws that protect America's waterways and tidal areas. Our vessels are required to meet stringent oversight inspections set to the highest standards in the world. Our vessels must follow the U.S. Code of Federal Regulations, which sets high standards for vessel construction and repair and crew training, and stringent licensing requirements for attainment of mariner credentials. U.S. regulations regarding fire fighting, life saving, safety, navigation, and communication equipment are more rigorous than typical foreign requirements. The procedures regarding the stowage and carriage of hazardous goods on our vessels are more stringent than international requirements. Additionally, because our vessel operators are liable under U.S. laws and regulations for failures in performance, they are highly penalized by their insurance underwriters and by demanding charterers if they attempt to cut corners or run a slipshod operation.

International vessel safety and environmental protection standards are issued under several international conventions by the International Maritime Organization (IMO), a specialized branch of the United Nations. Government responsibility for oversight and enforcement is vested primarily in the nation in which a vessel is registered and whose flag the vessel flies, known as the flag administration. Flag administrations are responsible for ensuring their vessels' compliance with applicable safety, security, and environmental standards, and for verifying the accuracy of documents and certificates issued under their authority. This responsibility requires flag administrations to have the necessary domestic laws, administrative infrastructure, and qualified personnel in place to oversee vessel inspections, ensure crew competency, investigate vessel accidents, and take appropriate regulatory enforcement actions. The term "flag of convenience" is often used to describe a flag administration used by vessel operators for purposes of avoiding government regulations and reducing operating costs.

Although many flag administrations take their responsibilities seriously and are active participants within the IMO, oversight and enforcement among IMO members varies dramatically. While many nations' maritime standards within the regulatory regime of the IMO may be similar, the application and enforcement of those standards by other flag administrations is significantly different and more lenient as compared to the standards enforced on vessels carrying an American flag on their stern. Many of the foreign-flag vessels that compete with American vessels in the international trades are much more loosely regulated, often unsafe, and frequently manned by poorly trained personnel. Some foreign ships do not have the burden of following national guidelines that guarantee a well-maintained vessel that is constructed for superior safety. Some foreign crews are paid extremely low wages, receive few benefits, and work inhumane schedules under inhumane conditions. Many do not have the superior level of training or professionalism that characterizes the U.S. merchant marine. Also, because foreign vessels generally don't pay U.S. taxes and are not required to meet higher U.S. crew, maintenance and operating standards, U.S. laws essentially provide foreign vessels with a cost advantage while operating in the U.S. EEZ.

For this reason, the U.S. Coast Guard has implemented Port State Control inspections on targeted foreign-flag vessels entering U.S. harbors to reduce the presence of substandard shipping in U.S. waters. The Port State Control Program is based on a safety and environmental protection compliance targeting matrix to screen for poorly maintained or managed vessels. Vessels with a higher risk profile are more likely to be inspected by the Coast Guard in or near a U.S. port to determine whether they are a potential hazard to the port or the environment. The Coast Guard is empowered to detain, deny entry to U.S. waters, or expel from U.S. waters a substandard vessel if needed to ensure safety, security, or environmental protection. The nature of some resource development work in the Gulf of Mexico, and its proximity to other countries, allows some foreign-flag vessels engaged in this work to avoid calling at U.S. ports, which complicates Port State Control Program effectiveness regarding these vessels.

While there is a robust American vessel presence in the Gulf of Mexico, foreign mobile offshore drilling units, seismic vessels, dive support vessels, derrick barges, and other vessels are also routinely performing industrial tasks on the U.S. outer continental shelf. Flags of convenience commonly used by offshore drilling and support vessels include the Marshall Islands (which registered the Deepwater Horizon rig), Panama, Liberia, the Bahamas, Singapore,

and Malta. As of May 2010, the Coast Guard's Port State Control Program's list of flag administrations that have a detention ratio higher than the overall average included, among others, Panama and Malta. Additionally, many of the previously named countries are relatively small, seldom visited by the vessels they register to fly their flag, and unable to afford their own national vessel inspection infrastructure to ensure that the vessels flying their flag meet the highest international standards.

Are American vessels safer than flag of convenience ships, including vessels registered under certain nations identified on the Coast Guard Port State Control Program's list? The answer is yes, for the many reasons described above. In addition, American vessels provide an important economic benefit for our nation. In 2006, an estimated nearly 500,000 jobs were attributable to the Jones Act. These high quality jobs include positions crewing, building, maintaining, and repairing vessels, as well as shore-side management and support of vessels in the U.S. domestic trade. In 2009 dollars, the indirect and induced jobs accounted for $35.5 billion in U.S. value-added (i.e., Gross Domestic Product) and $22.6 billion in labor compensation. According to a recent study by PricewaterhouseCoopers for the Transportation Institute, the Jones Act generates $100.3 billion in gross economic output, $45.9 billion in value added, $29.1 billion in labor compensation, and $11.4 billion in taxes to federal, state, and local governments. A significant portion of this economic activity takes place in the coastal waters of the Gulf of Mexico.

We hope that this Committee will consider these factors as it considers its response to the Deepwater Horizon spill.

Testimony before
The Subcommittee on Coast Guard and Maritime Transportation
of The Committee on Transportation & Infrastructure
United States House of Representatives
June 17, 2010

Foreign Vessel Operations in the U.S. Exclusive Economic Zone

Warren Weaver
Manager of Regulatory Compliance, Transocean, Ltd.

Chairman Cummings, Ranking Member LoBiondo, and other members of the Subcommittee, I want to thank you for the opportunity to speak with you today.

My name is Warren Weaver, and I am the Manager of Regulatory Compliance of Transocean, Ltd. Transocean is a leading offshore drilling contractor, with more than 18,000 employees worldwide and more than 4,500 employees in the U.S. I have been with the Company for more than 35 years, including more than 13 years of rig-based assignments. I am a former OIM Unrestricted Able Body Seamen and Lifeboatman with the U.S. Coast Guard and have a number of certifications related to offshore rig operations and management. As Manager of Regulatory Compliance, my focus is in assisting rig management with regulatory questions concerning class, flag, the International Maritime Organization and licensing.

Since the tragic incident on April 20, my colleagues and I at Transocean have been deeply saddened at the death of the 11 crew members who died – including 9 of my fellow Transocean employees – and our hearts go out to their families. The safety of our employees and crew members and compliance with regulations is of the utmost importance, and the loss of lives on the *Deepwater Horizon* rig is devastating to Transocean. Our goal is to continue our support of the families who lost loved ones in the incident, and our employees as we all move forward. As I will discuss further, we remain committed to ensuring our company's compliance with all regulations applicable to our MODUs, both in the United States and internationally.

I also salute the courage of the 115 crew members who were rescued from the *Deepwater Horizon* and who deeply feel the loss of their colleagues.

Transocean is also deeply grateful to the broad response team that has worked tirelessly since this tragedy occurred. This includes the brave men and women of the U.S. Coast Guard, as well as other federal and state officials, non-governmental organizations, and volunteers. Transocean also has been actively involved in the activities since April 20th, offering assistance in areas where we have particular expertise.

As requested by the subcommittee, I am here today to address certain maritime aspects of Transocean's operations, including the flagging of our vessels. Transocean is an international company that operates 139 drilling rigs in 29 countries around the world. Less than 10 percent of Transocean's fleet is located in the Gulf of Mexico. Considering the global vessel fleet of 37,000, less than 1% of those vessels are US-flagged (roughly 220 vessels), according to 2007 U.S. Department of Transportation data. Approximately half of the global vessel fleet fly under the flags of Panama, Liberia, and the Marshall Islands.

Transocean's Mobile Offshore Drilling Units, or MODUs, are constructed, classed and certificated for worldwide service. While the *Deepwater Horizon*, and the *Development Driller II* and *Development Driller III*, the two rigs currently engaged in drilling the relief wells to stem the flow of oil in the Gulf, have only been in operation in the Gulf of Mexico since their original delivery date, none of these rigs are dedicated to the U.S. Gulf of Mexico, and all are classed for worldwide service. When their service is complete under existing contracts, the MODUs could potentially move into some other location either in the United States or somewhere else in the world.

Transocean's operations of its MODUs strictly follow the laws and regulations in each of those 29 countries in which it operates, including the United States, and international standards, regulations and codes applicable under the International Maritime Organization (IMO). The *Deepwater Horizon* MODU fully complied with U.S. and international regulations.

The *Deepwater Horizon* was flagged in the Marshall Islands. As we have stated previously before other Congressional committees, the reasons

for this are purely logistical. Foreign flagged MODUs operating in U.S. waters meet or exceed all functional standards for U.S. flagged MODUs. There is no material difference in terms of functionality or safety.

A number of inspections are performed on foreign flagged vessels and were specifically performed on the *Deepwater Horizon*. The inspections and certifications fall into three categories.

First, the U.S. Coast Guard must certify all MODUs operating on the U.S. OCS. The *Deepwater Horizon's* Coast Guard Certificate of Compliance (COC) was issued on July 27, 2009. The COC was valid through July 27, 2011. The mid-period examination was due by July 7, 2010. The *Deepwater* Horizon complied with all operational regulations as set forth in 46 CFR 109, in conjunction with the Coast Guard's NVIC (Navigation and Vessel Inspection Circular) No. 3-88, which provides guidance and information on the inspection of foreign-flagged MODUs operating on the Outer Continental Shelf, and which governs the issuance of COCs to foreign documented MODUs operating on the OCS. The *Deepwater Horizon* complied with Option C in that NVIC, which provides that the "MODU is constructed to meet the design and equipment standards for MODUs contained in the 1989 IMO Code for the construction and equipment of MODUs." The Marshall Islands has adopted the IMO MODU Codes. The *Deepwater Horizon* had the required IMO MODU Code Certificate issued by the Marshall Islands.

Second, Flag Administration inspections are performed. The Marshall Islands requires an Annual Safety Inspection (ASI) using its inspectors or inspectors for the American Bureau of Shipping (ABS) class society. There are also annual statutory surveys carried out by ABS on behalf of Marshall Islands, which include: International Oil Pollution Prevention ("IOPP"), International Sewage Pollution Prevention ("ISPP"), International Air Pollution Prevention ("IAPP"), MODU Code (for construction of mobile offshore drilling units), International Load Line Convention ("ILLC"), Annual Ship Station License (typically carried out by a third party recognized by flag), annual crane inspection (typically carried out by class or third party as directed by flag), International Safety Management Code (ISM), and International Ship Security Code ("ISSC").

The Marshall Islands ASI typically lasts approximately eight hours. The annual flag statutory surveys carried out by class on behalf of the

administration (flag) plus the annual statutory, classification hull and machinery surveys take four to five days.

Third, class society inspections or surveys are performed every year within a given window. As performed on the *Deepwater Horizon*, these focus primarily on the vessel / (hull) machinery / safety systems integrity. Class surveys generally include what is called an underwater inspection in lieu of dry-docking, which is the examination equivalent to a dry-docking, which is logistically difficult if not impossible. In other words, divers conduct the underwater inspections of the hull. Plus accessible internal and above water portions are inspected the same as a dry-docking.

The offshore exploration and production industry is global. To maintain maximum flexibility to move these MODUs to various locations around the world as the industry requires, foreign flagging is preferred. Foreign flagging of MODUs has nothing to do with relaxed manning or safety standards. In fact, for a number of reasons, it is unusual to find MODUs that are flagged in the United States.

First, if a vessel or MODU is flagged in the United States, the vessel or MODU may be repaired only in U.S. shipyards or else pay significant U.S. customs duties on the value of the work performed. Companies like Transocean that conduct significant international operations are not reasonably able to move rigs to the United States for all repairs. By contrast, while operating its rigs in U.S. waters, Transocean rigs are repaired in U.S. shipyards, regardless of the flag country. In addition, U.S. survey schedules historically had two-year intervals for dry-dock examinations for U.S. Coast Guard Certificates of Inspection ("COI"), which conflict with international survey requirements. Accordingly, redundant dry-dock examinations would be required. As a result, we would be forced to regularly request the class society to move their survey date to match U.S. Coast Guard dates since the U.S. Coast Guard was historically inflexible as to when it conducts its surveys.

Second, if a MODU is flagged in the United States, by law the master must be a U.S. citizen. When Transocean MODUs are operating in U.S. waters, all of the masters on board the rigs are citizens of the United States, regardless of flag. All Transocean employees on the *Deepwater Horizon* on April 20 are U.S. citizens. When the MODU is operated in other locations,

however, such as Africa and the Far East, complying with such requirements is difficult to maintain with our international work force.

Third, a U.S.-flagged MODU must be inspected annually by a member of the U.S. Coast Guard. When Transocean rigs are operating in U.S. waters, each of those MODUs is inspected fully by the Coast Guard. When a rig is operating in non-US venues, however, complying with such requirements is difficult. It is also difficult to schedule transportation for U.S. Coast Guard inspectors to foreign locations where the MODUs are located, for example the Black Sea, Angola, and Nigeria. In some instances historically, U.S. laws have prohibited a U.S. Coast Guard inspector from inspecting a MODU in certain foreign jurisdictions.

Additionally, the Coast Guard COI timeline is difficult to manage in overseas drilling environments, because historically the Inspection had to be conducted no more than 14 days before the window of expiration for both mid-period and renewal COI examination. Obtaining attendance in this period when an operating vessel may be located in distant waters presents logistical difficulties even though in recent years, more flexibility was expanded for the window of inspection, which is more in line with international regulations. These windows were significant drivers for registering MODUs under different flags.

Transocean continues to assist the Joint Incident Command by providing our experts and experience to the spill containment and relief well operations. We remain deeply committed to the safety of our people. Transocean's operations meet all industry and legal standards, and we will continue to do so as the industry continues to evolve as a result of this incident. We stand ready to assist the Subcommittee with any additional information it may require.

Responses of Transocean Ltd. to the Oral Questions of Representative Gene Taylor (D-MS) at the June 17, 2010 Hearing before the Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation

What was the date of the last dry-docking inspection of the *Deepwater Horizon*?
On September 13, 2009, there was an underwater inspection in lieu of dry docking. This is recognized and approved as equivalent because the size of vessels like the *Deepwater Horizon* does not allow for a drydock inspection.

Was there an assistant engineer aboard the *Deepwater Horizon* at the time of the incident?
Yes, there were at least two assistant engineers, including one U.S. Coast Guard-licensed First Assistant Marine Engineer and one U.S. Coast Guard-licensed Third Assistant Marine Engineer on board the *Deepwater Horizon* at the time of the incident on April 20.

How many oilers were on board at the time of the incident?
In compliance with the applicable manning certificate, there were at least two crewmembers on board the *Deepwater Horizon* at the time of the incident on April 20, who held licenses enabling them to perform the function of oiler.

Did Transocean negotiate with a U.S. shipyard to purchase a MODU like the *Deepwater Horizon*, and how much money was saved by purchasing from a Korean shipyard instead?
Reading Bates (R&B), not Transocean, was the owner during the procurement and construction of the *Deepwater Horizon* MODU. Transocean understands that R&B engaged the services of a shipbroker to evaluate shipyards worldwide and discussed flagging this vessel in the United States.

To Transocean's understanding, in the late 1990s, an R&B representative visited multiple shipyards on the Gulf Coast, and only two U.S. shipyards expressed interest in supplying the vessel—a semisubmersible or ship—desired by R&B. At the time, neither of the two shipyards was prepared to assemble an engineering team to evaluate concepts and neither had the facilities needed to build the rig should the concepts come to fruition. As a result, R&B did not solicit bids from those two shipyards. Transocean cannot accurately estimate R&B's cost of purchasing the *Deepwater Horizon*, if it had been possible for R&B to construct it in the United States.

Provide records of BOP testing of all vessels in U.S. waters since the incident, include the flags of the vessels.
On June 8, 2010, the MMS issued Notice to Notice to Lessees and Operators (NTL) No. 2010-N05, "Increased Safety Measures for Energy Development on the OCS." The MMS Notice to Lessees and Operators contains specific recommendations to Operators for steps to enhance

safety in Outer Continental Shelf drilling operations. Among other things, the MMS Notice to Lessees and Operators requires Operators to conduct a third-party inspection of all subsea and surface BOP equipment used in floating drilling operations before beginning a new drilling operation or resuming an operation suspended under the moratorium.

Under this Notice from MMS, Operators, such as BP, should be initiating third-party recertification inspections of BOP equipment as appropriate under the Notice to Lessees and Operators. Transocean is cooperating with Operators for which it works to coordinate the timing of any BOP recertification inspections for BOPs on vessels that are or will be operating in the Gulf of Mexico. Timing of the recertification inspections appears complicated by the limited resources available to perform the third-party inspections and the high number of recertification inspections sought.

As further information, only two of Transocean's vessels are currently working for Operators in the Gulf of Mexico: the *Deepwater Nautilus* and the *Discoverer Americas*. The Operator utilizing the *Americas* was ordered to temporarily abandon its current well. The MMS granted the Operator for the *Nautilus* permission to complete the current well.

The following summarizes the recertification status and timeline, to the extent known to Transocean, for BOPs on vessels currently or recently operating in the Gulf of Mexico. The final recertification inspection reports issued by the third-party inspectors are provided to the operators. Accordingly, Transocean is not possession of these records. References below to standard, preventative, and/or corrective BOP maintenance encompass Transocean's routine maintenance activities.

- *GSF Development Driller I (DDI) (Vanuatu)*:
  The *DDI* was taken out of service to conduct a planned Special Periodical Survey (SPS) on May 13, 2010. During the planned service period, other maintenance projects were carried out, including BOP preventative and corrective maintenance. At the Operator's request, an independent third party, ModuSpec, oversaw the BOP maintenance. The rig completed the service period on June 23, 2010 and is currently on stand-by. The Operator has indicated that it will be using ModuSpec as an independent third party to conduct recertification of this BOP.

- *GSF C.R. Luigs (Vanuatu)*:
  The *C.R. Luigs* was taken out of service to conduct a planned SPS on June 6, 2010. During this planned period, other maintenance projects will be carried out, including BOP preventative and corrective maintenance as per Transocean practices. The Operator has indicated that it will use ModuSpec as an independent third party to conduct the recertification of the BOP.

- *Discoverer Spirit (Marshall Islands)*:
  The *Spirit* has been on standby since June 1, 2010. At the Operator request, ModuSpec observed the preventative and corrective maintenance on the BOP. The *Spirit* rig is scheduled to commence a seventy-day SPS period during which BOP maintenance will be carried out as per Transocean practices.

- *Deepwater Nautilus (Panama)*:
  The *Nautilus* is presently completing a well, and the Operator's completion date is uncertain. The Operator has indicated that the BOP will be recertified after completion of the current well.

- *Discoverer Americas (Marshall Islands)*:
  The *Americas* is expected to complete the current well in the next several days or within a week. The current expectation is that the Operator will mobilize the rig to Egypt upon completion of the current well.

- *Discoverer Deep Seas (Marshall Islands)*:
  The *Deep Seas* was put on standby on May 31, 2010, following the moratorium. While on standby, routine BOP maintenance has been performed per Transocean practices.

- *Transocean Amirante (Panama)*:
  Since June 11, 2010, the *Amirante* has been on standby following the moratorium. The Operator has indicated that it plans to utilize West Engineering for recertification of the BOP.

- *Transocean Marianas (Marshall Islands)*:
  The *Marianas* has been on standby at the Signal shipyard since June 20, 2010. Standard maintenance was performed on the *Marianas* while on standby per Transocean practices; no date for recertification has been established.

- *Deepwater Pathfinder (Vanuatu)*:
  The *Pathfinder* commenced a scheduled SPS in the shipyard on May 23, 2010, which is expected to be completed by August 22, 2010. The BOP will be recertified during this period.

Recertification is not required for vessels assisting in the response effort. The following summarizes the BOP inspections performed for Transocean vessels currently in the Gulf and supporting the response effort:

- *GSF Development Driller II (Vanuatu)*:
  West Engineering was onboard from May 16, 2010 through June 12, 2010 to witness the BOP scope of work and the running of the BOP. Two MMS inspectors were onboard from May 18, 2010 through May 30, 2010, and these inspectors witnessed the BOP maintenance work, stump testing, EDS and ROV function testing, and auto-shear and deadman testing at the surface. Two MMS inspectors were onboard from June 3, 2010 through June 10, 2010 to witness the BOP running, subsea pressure test, and deadman test with the BOP at depth.

- *Development Driller III (Vanuatu)*:
  West Engineering was onboard from April 27, 2010 through May 15, 2010 to witness the BOP scope of work prior to the running of the BOP. Two MMS inspectors were onboard May 9, 2010 through May 12, 2010, and May 15, 2010 through May 18, 2010, who witnessed the BOP stump testing, ROV intervention panel testing, EDS testing at the surface,

auto-shear testing at the surface, subsea deadman testing at the surface and at depth, and subsea BOP pressure testing upon landing out.

- *Discoverer Enterprise (Marshall Islands)*:
  West Engineering was onboard from April 28, 2010 through May 12, 2010 to witness the BOP scope of work prior to running LMRP for top hat containment. Two MMS inspectors were onboard on May 6, 2010 and May 7, 2010 to witness the BOP stump test, ROV intervention panel function testing, and EDS and deadman testing at the surface.

- *Discoverer Clear Leader (Marshall Islands)*:
  The work of the *Clear Leader* as part of the response effort is containment work that does not require use of a BOP. However, on April 29, 2010, the MMS reviewed and checked various aspects of the BOP and its functions.

- *Discoverer Inspiration (Marshall Islands)*:
  The work of the *Inspiration* as part of the response effort is containment work that does not require use of a BOP. On April 28, 2010, the MMS reviewed and checked various aspects of the BOP and its functions. On May 24, 2010, the MMS witnessed the function test of the BOP and discussed past repairs and current status.

Did fire drills onboard the *Deepwater Horizon* take place on a regular and announced schedule, specifically Sunday mornings?
Yes. According to Transocean Safety Drill Reports collected from January 4, 2009 through April 18, 2010, fire drills were performed aboard the *Deepwater Horizon* during that period on Sunday mornings generally between 10:00 a.m. and 11:00 a.m. Copies of these reports are attached to these responses.

Transocean

Safety Drill Report

Printed : 20-May-2010
20:34 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1279	**Date :**	26-Apr-2009
Operator :	BP America	**SeniorTP :**	Anderson	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.4		
OIM :	Ezell	**Master/Barge :**	Kuchta	**Number of POB :**	136		
				Number of Participants :	136		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on PA/GA and whistle for simulated class C fire in the Port MCC Room. Crew mustered at Fire and Emergency stations. Fire Team #1 made a simulated attack using water from Fire Station #10 and then simulated the release of CO2 using the fixed CO2 system. Fire Team #2 conducted SCBA training and hose training using hose from Fire Station #3.

Comments

Training on the activation of the fixed CO2 system controls in the Mud Pump Room was conducteid with Fire Team #1.

Future Action/Development Required

Continue with SCBA training for all fire teams.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
20:31 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1286 **Date :** 03-May-2009
Operator :	BP America	**SeniorTP :**	Anderson	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Deshotel	**Time Required(hrs):**	0.3
OIM :	Ezell	**Master/Barge :**	Muise	**Number of POB :**	135
				Number of Participants :	135

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm on PA/GA and whistle for a Class B fire in the Paint Locker. Crew mustered at Fire and Emergency stations. Fire Teams #1 and #2 made a simulated coordinated attack using water from Fire Station #2. Conducted training on the use of a fog applicator and Whye gate valve.

Comments

Need to add a 1 1/2" USCG nozzle to the response bag to have a nozzle available for use with the fog applicator when working from a 2 1/2" fire station.

Future Action/Development Required

Continue with training in coordinated attacks with two teams working in a small area.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
20:23 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1288	**Date :**	10-May-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.3		
OIM :	Harrell	**Master/Barge :**	Muse	**Number of POB :**	137		
				Number of Participants :	137		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency or PA/GA and whistle for a simulated Class A fire in Rm. 308. Crew mustered at Fire and Emergency stations. Fire Team #1 conducted a search and rescue in the space and made a simulated attack using a fire extinguisher. Fire Team #2 conducted hose training using hose from Fire Station #2. The medical response team conducted training on the treatment of smoke inhalation.

Comments

The team searching the space did a thorough job of searching. The team made a left hand search of the space, including the head, until a victim was discovered in the top rack.

Future Action/Development Required

Need to place glowing or reflective room numbers at the bottom of each door to enable search personnel to have reference point.

Signed OIM : Jimmy W. Harrell **Date:** 11-May-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:17 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1298 **Date :** 24-May-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	**Time :** 10:39
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	128
				Number of Participants :	125

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for Fire and Emergency on the vessel whistle and PA/GA. All non-essential personnel muster at the primary muster stations.

Simulated Class C fire in the Moon Pool. Simulation of a fire in the junction box on the dryer in the Swaco area. Fire Stations #37 and #14 led out with full pressure applied. Both Fire Teams 1 and 2 conducted hose training. Fire Team 2 simulated the activation of the Deluge System for the Moon Pool.

Fire Team 1 briefed on the various approach points to the scene of the fire as well as various means of combating the fire. Team 1 informed of the simultaneous operations that would take place from the CCR and ECR to assist with the securing of ventilation, maintaining the availability of fire pumps, securing electrical power, and the ability to pull personnel from the muster station as back up.

Emergency Teams were asked if there were any further questions, comments or safety concerns. Next evolution of drills continued with no concerns.

Comments

Fire Teams had excellent response and were an active part of the drill.

Future Action/Development Required

Possibly involve the people that are responsibly for the area become a part of the drill.

Signed OIM : Jimmy Harrel **Date:** 24-May-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:20 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1293 **Date :** 17-May-2009
Operator :	BP America	**SeniorTP :**	Watson	**Response Satisfactory :**	**Time :** 10:44
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	0.5
OIM :	Harrell	**Master/Barge :**	Muise	**Number of POB :**	136
				Number of Participants :	0

Drill Report Type : Fire Drill

Description of Drill

Simulated Class C Fire in the Port Rig Air Compressor Room. Fire Team one donned turn out gear as well as SCBAs and report to the scene of the fire conducting training on the need to check boundaries for hear prior to entering the space. Discussion also held on the response process including securing ventilation and power, the use of the alternate fire team to set up boundary cooling and an additional means of approach to the fire.

Simulated fire approached with Fire Team #1 with CO2 backed up by a hose team. Power simulated secure on the air compressor unit while the fire was extinguished with a portable CO@ extinguisher.

Comments

Multiple means available for fighting a fire in this space. It was also noted that this space could easily turn into a Class B fire due to the materials in the space.

Future Action/Development Required

Better organization of the fire teams prior to entrance to the space. Fire teams should have had more direction before entering the space to avoid confusion once inside the area. Chief Mate will look to refine the process during future drills.

Signed OIM : Jimmy W. Harrell **Date:** 17-May-2009

Transocean

Safety Drill Report

Printed : 26-May-2010
20:06 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1321 **Date :** 21-Jun-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 11:03
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.3
OIM :	Harrell	**Master/Barge :**	Muise	**Number of POB :**	140
				Number of Participants :	140

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on the PA/GA and Whistle for a simulated helicopter crash on the helideck. Crew mustered at Fire and Emergency stations. Fire Team #1 made a simulated attack using the helideck fire monitors while Fire Team #2 conducted training on the helicopter crash equipment.

Comments

Training went well. All personnel that had not previously seen the operation of the monitors were trained in their use.

Future Action/Development Required

Continue with training personnel in the use of the response equipment.

Signed OIM : Jimmy W. Harrell **Date:** 21-Jun-2009

Transocean

Safety Drill Report

Printed : 20-May-2010 20:10 GMT GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1313	**Date :**	14-Jun-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes	**Time :**	11:00
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.25		
OIM :	Harrell	**Master/Barge :**	Muise	**Number of POB :**	136		
				Number of Participants :	136		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on PA/GA and whistle for simulated Class B fire at the Helifuel Storage area. Crew mustered at Fire and Emergency stations. Fire Team #1 made a simulated attack using foam from a fire hose and discussed methods for attacking fires with foam while Fire Team #2 conducted hose training. The Hospital Response team conducted training on diagnosing and treating H2S exposure.

Comments

The fire team did a good job of rigging up the foam eductor but had to return to their locker for additional lengths of hose.

Future Action/Development Required

train teams to always bring spare lengths of hose when they respond.

Signed OIM : Jimmy W. Harrell **Date:** 18-Jun-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:55 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1348 **Date :** 19-Jul-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.25
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	135
				Number of Participants :	135

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on PA/GA for a simulated fire at the starboard loading station. Crew mustered at Fire and Emergency stations. Fire Teams #1 and #2 made a simulated attack using hoses from Fire Station #3 while the Medical Team conducted training on Basic First Aid.

Comments

There was confusion while running out parallel hose lines. This resulted in the two hoses becoming tangled requiring time to sort out the problem.

Future Action/Development Required

Continue training on coordinated attacks using parallel hoses.

Signed OIM : Jimmy W. Harrell **Date:** 20-Jul-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:58 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1342 **Date :** 12-Jul-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	**Time :** 10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	140
				Number of Participants :	132

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for fire an emergency on vessel PA/GA an whistle.Simulated Class A fire reported in the Laundry Room. All non-essential personnel muster at primacy stations. Fire teams 1 and 2 muster and report to DW House for instruction and training on ventilation, securing power, boundary recognition, and various means of approach to the scene of the reported fire. Fire teams 1 and 2 then moved inside to the scene of the fire and were instructed on the available equipment in the area that could be used to combat a fire in the space. Teams demonstrated their knowledge of various means of approach and familiarity with the space. All hands were briefed on the location of ventilation ducts, ventilation shut downs, and means of securing power to the space.

Medical Team held discussion on Basic First Aid and emergency response.

Comments

Crane Operators were encouraged to take an active roll in leading their respective fire teams. In the event of a true emergency the Fire Team Leader would have to access the situation and make command decisions for his team.

Future Action/Development Required

Crane Operators/Team Leaders will take a more active roll in Fire Tear management.

Signed OIM : Jimmy Harrell **Date:** 12-Jul-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:44 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1371	**Date :**	16-Aug-2009
Operator :	BP America	**SeniorTP :**	Anderson	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	0.2		
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	138		
				Number of Participants :	131		

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for a simulated fire in the lower thruster drive room for thruster #6. Simulation of a bearing failure on Drill Water Pump #3. All non-essensial personnel are mustered at the indoor muster stations with Fire Team #1 mustering at the aft emergency locker. Fire Teams were instructed on the importance of situational awareness and beign efficient while heading to the scene of a reported emergency. All were questioned on the available fire firghting equipment that could be collected while enroute to the scene. All were also briefed on the boundary areas to the space and the best approach for accessing the space. Bridge team simulated securing power and ventillation to the space. Simulated securing Drill Water Pump #3. Reflash watch would be set.

Comments

All fire team members were encouraged to maintain a hightened awareness when enroute to the scene of an emergency. Personnel should not expect to be told every step to take in the event of an emergency. All should be aware of what a possible chain of events might be and all are encouraged to speak up if they have an idea that may benefit the teams efficiency.

Future Action/Development Required

Personnel should hightem their awareness while enroute to the emergency scene.

Signed OIM : Jimmy W. Harrell **Date:** 16-Aug-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:47 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1365	**Date :**	10-Aug-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes	**Time :**	10:52
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.25		
OIM :	Harrell	**Master/Barge :**	Muse	**Number of POB :**	128		
				Number of Participants :	128		

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for fire and emergency on vessel whistle and PA/GA for a simulated Class B fire at the Cleanblast UHP Pump. All non-essential personel muster at indoor muster stations, lifeboat #1 in the Chemo Lab and lifeboat #2 in the Galley. Fire Team #1 mustered and reports to the scene with the equipment required to extinguisht the fire by means of foam. Fire Station #3 led out and set up for discharge of foam and simulated the activation of the deluge system for cooling of the derricks structural members. Simulated securing ventilation to the laundry to prevent smoke in the accommodations. Explanation given on the ESDs for the diesel engine on the pump. Bridge team simulated making a turn to starboard for affects by the wind. Fire Team #2 led out a hose from fire station #1 and applied pressure utilizing the foam eductor with a bucket of water to simulate the discharge of foam and gain training in the function of the eductor.

Comments

Crane Operator served as team leader and took an active roll in leading Fire Team #1 to the scene and setting up for an attack on the fire. All team members took an active roll in identifying potential hazards associated with this fire and ways to combat it and mitigate damage or risk to personel.

Future Action/Development Required

Continue training in different scenarios to train personnel on location and use of fire fighting equipment.

Signed OIM : Jimmy Harrell **Date:** 09-Aug-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:36 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1391	**Date :**	13-Sep-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	Miss. Canyon	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	0.5		
OIM :	Harrell	**Master/Barge :**	Muise	**Number of POB :**	113		
				Number of Participants :	118		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on the PA/GA and whistle for a simulated fuel oil fire in Engine Room #1. Crew mustered at fire and emergency stations. Fire Team #1 made a simulated attack using foam while Fire Team #2 conducted hose and SCBA training on the main deck.

Comments

Fire team training went well.

Future Action/Development Required

Emphasize the importance of clearing the accommodations with the Galley personnel assigned to check rooms.

Install SOLAS muster station signs at indoor muster stations (Messdeck & Cinema)

Signed OIM : Jimmy W. Harrell **Date:** 15-Sep-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:38 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	UWILD2009	**Drill Report Number :**	1385 **Date :** 06-Sep-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	Atwater Valley 53	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	0.33
OIM :	Ryan	**Master/Barge :**	Kuchta	**Number of POB :**	127
				Number of Participants :	127

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on the PA/GA and whistle for a simulated Class C fire in the ROV Control Van. Crew mustered at Fire and Emergency stations. Fire Team #1 conducted a simulated attack using portable CO2 Extinguishers while Fire Team #2 conducted SCBA training.

Comments

Drill went well and the teams showed good familiarity with their equipment.

Future Action/Development Required

Continue with drills.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
19:27 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1404 **Date :** 04-Oct-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:05
Field :	Miss. Canyon	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.3
OIM :	Ryan	**Master/Barge :**	Muise	**Number of POB :**	128
				Number of Particlpants :	119

Drill Report Type : Fire Drill

Description of Drill

Simulated Class B Fire in the Galley. Signal sounded on the vessel whistle and PA/GA. All non-essential personnel muster at primary thruster stations while Fire Team #1 musters and makes an approach through the forward entrance at the lifeboat deck. Fire Team #2 musters and reports outside of the galley dry stores room with a stokes litter for a simulated man down in the space. Power and Ventilation secured from the bridge. Fire Team #1 is briefed on the various methods of securing ventilation and activation of the galley hood fire suppression. Once simulated fire was reported out Fire Team #2 simulates the transfer of the man down to the hospital.

Comments

Better use could have been made of the hospitals medical response team.

Future Action/Development Required

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 26-May-2010
19:25 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1410 **Date :** 11-Oct-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes **Time :** 10:00
Field :	Miss. Canyon	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.25
OIM :	Ryan	**Master/Barge :**	Kuchta	**Number of POB :**	135
				Number of Participants :	136

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on the PA/GA and whistle for a simulated Class A fire in the main deck trash compactor. Crew mustered at fire and emergency stations. Fire Team #2 made a simulated attack using hoses from Fire Station #9.

Comments

Conducted hose training with the fire team. The team rotated through the nozzleman position and maneuvered the hose while pressurized.

Future Action/Development Required

Continue hose training with fire teams.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
19:33 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1398	**Date :**	27-Sep-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	Miss. Canyon	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.3		
OIM :	Harrell	**Master/Barge :**	Muise	**Number of POB :**	137		
				Number of Participants :	125		

Drill Report Type : Fire Drill

Description of Drill

Signal sounded on vessels whistle and PA/GA. Announcement made for a simulated Class "B" fire at the acetylene bottle rack. Simulated fire from a broken hose on the regulator. All non-essential personnel muster at inside muster stations. Fire team 1 musters and reports to fire station #4 with 2 fire team members donning SCBAs. Fire Team #1 musters and leads out a hose from Fire Station #1. Fire Team #1 simulates an approach to the fire and providing protection with fog for cooling and securing the valve on the regulator to extinguish the fire.
Bridge team simulates securing ventilation to MOG #1 and #2 while switching all supplied power to the starboard side.

Drill floor simulates securing the well

Comments

Some confusion caused in miscomunication between Bridge and On Scene Teams. This was discussed durign debrief.

Muster confused due to out of date muster list beign found at muster locations.

Future Action/Development Required

Ensure muster lists that are posted are up to date.

On scene leader to make the call as to the approach of the emergency while supporting personnel provide any relevant information to the on scene leader.

Signed OIM : Jimmy W. Harrell **Date:** 27-Sep-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:17 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1431 **Date :** 08-Nov-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:01
Field :	Miss. Canyon	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.2
OIM :	Harrell	**Master/Barge :**	Muse	**Number of POB :**	142
				Number of Participants :	0

Drill Report Type : Fire Drill

Description of Drill

Signal sounded on the vessels whistly and PA/GA for a simulated class "B" fire in the Machine Shop. All non-essential personnel muster at inside muster stations due to inlimate weather. Fire Team #2 musters and conducts training with short service employees on the proper means of donning Bunker Suits and SCBAs. Fire Team #1 musters and reports to Fire Station #16 with foam eductor and 3% foam and makes an approach to the fire via the Mechanics Shop after receiving word the power and ventilation has been secured. Simulated fire is reported out and Fire Team #1 is breifed on the hazards identified with a fire in the Machine Shop.

Comments

Lesson Learned:
First Engineer should report to the scene of the emergency with a radio.

Future Action/Development Required

Continue emergency training

Signed OIM : Jimmy Harrell **Date:** 08-Nov-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:19 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1426 **Date :** 01-Nov-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:00
Field :	Miss. Canyon	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.25
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	133
				Number of Participants :	129

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for a simulated class "C" fire on the bridge. All non-essential personnel muster at primary muster stations while Fire Team #1 musters and reports to the scene of the fire. Fire Team #2 conducts fire hose training utilizing Fire Station #03 with full pressure applied. Fire pumps 1 and 2 utilized. Fire Team #1 simulates securing ventilation to the oridge and maintaining contact with the control room team to simulate securing additional power sources and ventilation. Bridge Team simulates transfer of DP Control to backup control. Fire Team #1 simulated the release of CO2 utilizing the remote station and is briefed on the release of CO2 from within the CO2 locker after receiving a full muster and the bridge is reported clear of personnel.

Comments

Slight confusion on getting a full muster from Fire Team #1 as the muster was not brought to the bridge. Muster not brought to the bridge due to the fact that Fire Team #1 recognized the fact that the bridge was not a safe point of entry and the muster would need to be relayed over the radio.

Future Action/Development Required

Continue with training on situational awareness and familiarity with spaces onboard.

Signed OIM : Jimmy W. Harrell **Date:** 01-Nov-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:10 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1451 **Date :** 06-Dec-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes **Time :** 10:00
Field :	Miss. Canyon	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	0.3
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	140
				Number of Participants :	140

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire & Emergency on PA/GA and whistle for a simulated Class B fire in the paint locker. Crew mustered at Fire & Emergency stations. Fire Teams #1 and #2 conducted hose training and simulated boundary cooling. Training was conducted on the operation of the Paint Locker fixed CO2 system.

Comments

Training conducted on response to a spill of chemicals related with the fire. Crews reviewed closing scuppers and the location of spill kits.

Future Action/Development Required

Continue with drills with multiple focuses like a fire combined with a spill.

Signed OIM : Jimmy W. Harrell **Date:** 09-Dec-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:13 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1446 **Date :** 29-Nov-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes **Time :** 10:00
Field :	Miss. Canyon	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	0.3
OIM :	Ryan	**Master/Barge :**	Muise	**Number of POB :**	135
				Number of Participants :	135

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on the PA/GA and whistle for a simulated Class A fire in Room 341. Crew mustered at Fire and Emergency stations. Fire Team #1 made a simulated attack using a dry chem fire extinguisher while Fire Team #2 conducted hose training on the Main Deck using hose from Fire Station #1.

Comments

Fire Team #1 did a good job of searching the spaces while localizing the fire's origin. They were aware of the location of fire extinguishers in the accommodations.

One person was missed during the room search.

Future Action/Development Required

Continue training with the catering crew about the importance of room searches.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 10-May-2010
18:15 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1471	**Date :**	03-Jan-2010
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes	**Time :**	10:00
Field :	Miss. Canyon	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.3		
OIM :	Ryan	**Master/Barge :**	Hackney	**Number of POB :**	131		
				Number of Participants :	131		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on PA/GA and whistle for a simulated Class C fire in the Stbd Fwd Emergency Ballast Control Panel. Crew mustered at Fire and Emergency stations. Fire Team #1 made a simulated attack using portable CO2 extinguishers while Fire Team #2 conducted hose traning and simulated boundary cooling.

Comments

Use alternative command structure with the Chief Mate assuming control from the bridge and the Deck Pusher serving as On Scean Commander.

Future Action/Development Required

Continue to have the deck pusher and toolpusher train with the Chief Mate on serving as On Scene Commander.

Signed OIM : **Date:** 03-Jan-2010

Transocean

Safety Drill Report

Printed : 20-May-2010
18:57 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1466 **Date :** 27-Dec-2009
Operator :	BP America	**SeniorTP :**	Anderson	**Response Satisfactory :**	Yes **Time :** 09:56
Field :	Miss. Canyon	**Tool Pusher :**	Deshotel	**Time Required(hrs):**	0.4
OIM :	Ezell	**Master/Barge :**	Kuchta	**Number of POB :**	123
				Number of Participants :	123

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on the PA/GA and whistle for a simulated Class B fire in Engine Room #2. Crew mustered at Fire and Emergency stations. Fire Team #1 made a simulated attacking using foam and then conducted training on the fixed CO2 system. Fire Team #2 conducted hose training using hose from Fire Station #1.

Comments

The crew was trained in the application of foam under the main engine mounts.

Future Action/Development Required

Continue with training on the use of the fixed and portable equipment.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 10-May-2010
17:44 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 252	**Drill Report Number :**	1487 **Date :** 31-Jan-2010
Operator :	BP Exploration	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:00
Field :	MISSISSIPPI CANYON	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.25
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	126
				Number of Participants :	124

Drill Report Type : Fire Drill

Description of Drill

Signal Sounded for a simulated class B fire starboard aft. All non-essential personnel muster at primary muster stations while Fire Teams 1 and 2 Muster and report to starboard aft Main Deck and simulate extinguishing the fire with foam. Fire Station #1 pressurized with a Y-Connection and lined up to two foam eductors. 100 Gallons of Foam discharged in hose training. Fire Pumps 1 and 2 utilized for Pressure. Bridge Team simulates securing power and ventilation in the area as well as simulation of transferring power to the starboard engine rooms to avoid ingestion of smoke through supply ventilation.

Comments

All mustered in a timely manner and were able to expedite the line up to foam. Fire teams moved in an orderly manner and were addequately trained in the use of the AFFF Foam eductors.

Future Action/Development Required

Continue training fire teams in different scenarios.

Signed OIM : Jimmy W. Harrell **Date:** 31-Jan-2010

Transocean

Safety Drill Report

Printed : 10-May-2010
17:41 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1483 **Date :** 24-Jan-2010
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:00
Field :	Miss. Canyon	**Tool Pusher :**	Anderson	**Time Required(hrs):**	1012
OIM :	Harrell	**Master/Barge :**	Hackney	**Number of POB :**	138
				Number of Participants :	138

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for a simulated fire, in the battery locker port forward, on the vessels whistle an PA/GA. All non-essential personnel muster at primary muster stations. Fire Team #1 musters and reports to Fire Station #8 with three personnel donning bunker gear. Fire Team #1 simulates the approach to the fire utilizing an applicator for cooling and also simulates investigation of boundary spaces for the potential spread of fire. Fire Team #2 musters and reports to Fire Station #7 where training is conducted in the use of a foam eductor. Fire Station #7 is charged with full pressure and exercised utilizing a foam eductor to discharge foam. Fire pumps 1 and 2 utilized.

Comments

Fire Team #2 did not have a radio which made communication and resposen difficult.

Future Action/Development Required

Fire Teams to ensure that they have a radio for communications.

Will be looking into the possibility of changing the means of taking muster in order to facilitate a shorter time for completing the muster accurately.

Signed OIM : Jimmy Harrell **Date:** 24-Jan-2010

Butler, Brent	Galley Hand	
Buxton, Michael	COORDINATOR	
Camacho, Audeliz	DYNAMIC POS OPER I	
Carden Jr., Stanley	ELECTRICAL/ELECTRONIC SPVR	
Carroll, John	ASST DRILLER	
Choy, Christopher	ROUSTABOUT	
Clark, Donald	ASST DRILLER	
Cleary, James	Service Technican	
Clements, Jeremy	SR MATERIALS COORD	
Cola, Kennedy	ROUSTABOUT	
Cole, Thomas	ROUSTABOUT	
Costello, Darren	ROV TECH	
Cox, Patrick	CHIEF ELECTRONIC TECH	
Credeur, Charles	SERVICE TECHNICIAN	
Curtis, Stephen	ASST DRILLER	
Daniels, Jarred	ROUSTABOUT	
Davey, Mark	DYNAMIC POS OPER II	
Davis, Matthew	BR	
Delagarza, Thomas	PAINTER	
Dempsey, Clinton	ROUSTABOUT	
Derouen Jr., Antoine	WELDER	
Dominguez; Gonzalo	3RD ASST MARINE ENGINEER	
Dow, Michael	CHIEF MATE	
Ducharme, Shayne	THREAD REP	
Duffey Jr., Willard	CHIEF ELECTRICIAN	
Dunn, Mike	Logistics Coordinator	
Dupont Jr., Thomas	PUMPHAND	
Evans, Joseph	MATERIALS COORD	
Foster, Joshua	ROUSTABOUT	
Francis, Bill	MEDIC	
Francis, Kelly	REP I	
Frevele, Gene	CHIEF ELECTRONIC TECH	
Garza, Rosendo	PAINTER	
Gentry, Chris	ROV TECH	
Gilliam, Jeremy	PAINTER	
Green, Clarence	Galley Hand	
Guidry, Craig	CFT tech	
Hackney, David	MASTER	
Hadaway, Troy	RIG SAFETY & TRNG COORD III	
Haire, Christopher	Cementer	
Harrell, Jimmy	OIM OFFSHORE INST MGR	
Harris, Randy	Service Representative	
Hearn, Robert	Baker	
Holloway, Caleb	FLOORHAND	
Holmes, Dorian	Field Engineer	
Huffman, Donnie	service tech	
Jacobs, Matthew	ROUSTABOUT	
James, Sebastian	ASST DRILLER	
Jenkins, Alonzo	Service Technican	
Jernigan, William	CHIEF MECHANIC	
John, Lance	Rig Sys Specialist	
Johnston, Richard	Jam Technician	
Jones, Brad	Galley Hand	
Jones, Gordon	Mud Engineer	
Jones, Keith	CRANE OPER	
Keith, Joseph	Mudlogger	
Kleppinger, Karl	FLOORHAND	

Safety Drill Report - Complete

DRILL INFO

Drill Date (DD MMM YYYY)	Drill Time (HH:MM)	Document Number
28 Feb 2010	10:00	DWH-2010-Feb-011-SAF
Drill Duration (hrs)	**Number Of POB**	**Number Attending**
00:30	134	134
Location	**Well Name**	
Deepwater Horizon (DWH)	*Not Specified*	
Operator		**Lease Number**
BP Exploration		OCSGG32306
Response Satisfactory		
Yes		
OIM (Last, First)	**Master or Barge Supervisor (Last, First)**	
Harrell, Jimmy Wayne	Hackney, David Morton	
Drill Type		
Fire Drill		

Description Of Drill

Sounded alarm for Fire and Emergency on PA/GA and whistle for a simulated helicopter crash on the helideck. Fire Teams #1 and #2 conducted training on the use of the foam monitors, semi-portable extinguishers and activation of alarms. The medical team conducted training on mass causalty triage.

Comments

This drill had a large number of people involved, but went smoothly.

Future Action / Development Required

Continue with drills that involve many separate teams.

ATTENDANCE

Name	Position	
Armstrong, Daniel	CHIEF ELECTRICIAN	
Arnold, Ronnie	MOTOR OPER	
Barron III, Daniel	FLOORHAND	
Bass, Terry	DRILLER	
Bass, William	DECKPUSHER	
Beckett, Solomon	FLOORHAND	
Bell, Anthony	MWD	
Benlot, Craig	Jam Technician	
Benoit, Dwayne	TOOL OPERATOR	
Benton, Tyrone	ROV TECH	
Bertone, Stephen	CHIEF ENGINEER	
Bess, Edward	3rd Party Utility	
Boullion, Brandon	Tech	
Bridges, Stephen	DERRICKHAND	
Burrell, Michael	ABLE BODIED SEAMAN	

Bridges, Stephen	DERRICKHAND	
Burrell, Michael	ABLE BODIED SEAMAN	
Butler, Brent	Galley Hand	
Buxton, Michael	COORDINATOR	
Camacho, Audeliz	DYNAMIC POS OPER I	
Carden Jr., Stanley	ELECTRICAL/ELECTRONIC SPVR	
Carroll, John	ASST DRILLER	
Choy, Christopher	ROUSTABOUT	
Clark, Donald	ASST DRILLER	
Cleary, James	Service Technican	
Clements, Jeremy	SR MATERIALS COORD	
Cola, Kennedy	ROUSTABOUT	
Cole, Thomas	ROUSTABOUT	
Costello, Darren	ROV TECH	
Cox, Patrick	CHIEF ELECTRONIC TECH	
Credeur, Charles	SERVICE TECHNICIAN	
Curtis, Stephen	ASST DRILLER	
Daniels, Jarred	ROUSTABOUT	
Davey, Mark	DYNAMIC POS OPER II	
Davis, Matthew	BR	
Delagarza, Thomas	PAINTER	
Dempsey, Clinton	ROUSTABOUT	
Derouen Jr., Antoine	WELDER	
Dominguez, Gonzalo	3RD ASST MARINE ENGINEER	
Dow, Michael	CHIEF MATE	
Duffey Jr., Willard	CHIEF ELECTRICIAN	
Dunn, Mike	Logistics Coordinator	
Dupont Jr., Thomas	PUMPHAND	
Evans, Joseph	MATERIALS COORD	
Foster, Joshua	ROUSTABOUT	
Francis, Bill	MEDIC	
Francis, Kelly	REP I	
Frevele, Gene	CHIEF ELECTRONIC TECH	
Garza, Rosendo	PAINTER	
Gentry, Chris	ROV TECH	
Gilliam, Jeremy	PAINTER	
Green, Clarence	Galley Hand	
Guidry, Craig	CFT tech	
Hackney, David	MASTER	
Hadaway, Troy	RIG SAFETY & TRNG COORD III	
Haire, Christopher	Cementer	
Harrell, Jimmy	OIM OFFSHORE INST MGR	
Harris, Randy	Service Representative	
Hearn, Robert	Baker	
Holloway, Caleb	FLOORHAND	
Holmes, Dorian	Field Engineer	
Jacobs, Matthew	ROUSTABOUT	
James, Sebastian	ASST DRILLER	
Jenkins, Alonzo	Service Technican	
Jernigan, William	CHIEF MECHANIC	
John, Lance	Rig Sys Specialist	
Johnston, Richard	Dam Technician	
Jones, Brad	Galley Hand	
Jones, Gordon	Mud Engineer	
Jones, Keith	CRANE OPER	
Keith, Joseph	Mudlogger	
Kemp, Roy	DERRICKHAND	

Safety Drill Report - Complete

DRILL INFO

Drill Date (DD MMM YYYY)	Drill Time (HH:MM)	Document Number
21 Feb 2010	10:00	DWH-2010-Feb-004-SAF
Drill Duration (hrs)	**Number Of POB**	**Number Attending**
00:15	136	134
Location	**Well Name**	
Deepwater Horizon (DWH)	*Not Specified*	
Operator		**Lease Number**
BP Exploration		OCSGG32306
Response Satisfactory		
Yes		
OIM (Last, First)	**Master or Barge Supervisor (Last, First)**	
Ryan, Rodney J.	Hackney, David Morton	
Drill Type		
Fire Drill		

Description Of Drill

Sounded alarm for Fire and Emergency on PA/GA and whistle for a simulated Class B fire in the port crane engine compartment. Crew mustered at Fire and Emergency stations. Fire Team #1 conducted simulated boundary cooling using hose from Fire Station #7 while Fire Team #2 conducted hose training using hose from Fire Station #1. Training was conducted with the crane operators on the use of the fixed CO2 system.

Comments

Fire Team #1 took longer than normal to don gear and arrive at the staging area. The teams also need to wait for their hose to be pressurized before going "into the fire."

Future Action / Development Required

Continue having crew don gear as a part of drills.

ATTENDANCE

Name	Position	
Armstrong, Daniel	CHIEF ELECTRICIAN	
Arnold, Ronnie	MOTOR OPER	
Barron III, Daniel	FLOORHAND	
Bass, Terry	DRILLER	
Bass, William	DECKPUSHER	
Beckett, Solomon	FLOORHAND	
Bell, Anthony	MWD	
Bennett, Gordon	GEOLOGIST.	
Benton, Tyrone	ROV TECH	
Bertone, Stephen	CHIEF ENGINEER	
Bess, Edward	3rd Party Utility	
Boutilon, Brandon	Tech	

Beckett, Solomon	FLOORHAND	
Bennett, Gordon	GEOLOGIST.	
Benton, Oleander	Baker	
Benton, Tyrone	ROV TECH	
Blessenberger, Erich	Tool Eng	
Bodek, Robert	GEOLOGIST.	
Boullion, Brandon	Tech	
Bridges, Stephen	DERRICKHAND	
Calcote, Cody	ROUSTABOUT	
Caletka, Timothy	ROUSTABOUT	
Carroll, John	ASST DRILLER	
Carroll, Nathan	ABLE BODIED SEAMAN	
Clements, Jeremy	SR MATERIALS COORD	
Cobb II, Wiley	PUMPHAND	
Cola, Kennedy	ROUSTABOUT	
Cooley, Jason	CHIEF ELECTRICIAN	
Cummings, John	CRANE OPER	
Cutrer, Michael	ABLE BODIED SEAMAN	
Daniels, Jarred	ROUSTABOUT	
Daniels, Paul	ELECTRICAL/ELECTRONIC SPVR	
Davey, Mark	DYNAMIC POS OPER II	
Delagarza, Thomas	PAINTER	
Dempsey, Clinton	ROUSTABOUT	
Derouen Jr., Antoine	WELDER	
Deshotel, John	SR TOOLPUSHER	
Dicello, Michael	CHIEF ENGINEER	
Dominguez, Gonzalo	3RD ASST MARINE ENGINEER	
DuBroc, Reiner	ROV TECH	
Duhon, Christopher	FLOORHAND	
Dunn, Mike	Logistics Coordinator	
Dupont Jr., Thomas	PUMPHAND	
Dupre, Bryan	MATERIALS COORD	
Estrada, Eric	SUBSEA TRAINEE	
Eugene, Kevin	Steward	
Foster, Joshua	ROUSTABOUT	
Francis, Kelly	REP I	
Frevele, Gene	CHIEF ELECTRONIC TECH	
Garner, Kerry	Mud Logger	
Gidney, Steven	PROJECT ENGEINEER	
Gilliam, Jeremy	PAINTER	
Grieve, Andy	Director	
Haire, Christopher	Cementer	
Hall, Antonio	DERRICKHAND	
Hilton, Stan	Utility Hand	
Humphries, Donnie	MOTOR OPER	
Humphries, Kevin	FLOORHAND	
James, Sebastian	ASST DRILLER	
Jeffcoat, Kevin	FLOORHAND	
Jenkins, Alonzo	Service Technican	
Jernigan, William	CHIEF MECHANIC	
John, Lance	Rig Sys Specialist	
Johnson, Kevin	ROUSTABOUT	
Jones, Gordon	Mud Engineer	
Jones, Keith	CRANE OPER	
Joseph, Keith	ROUSTABOUT	
Kearns, Robbie	ROUSTABOUT	
Keith, Joseph	Mudlogger	

Safety Drill Report - Complete

DRILL INFO

Drill Date (DD MMM YYYY)	Drill Time (HH:MM)	Document Number
28 Mar 2010	10:00	DWH-2010-Mar-031-SAF
Drill Duration (hrs)	**Number Of POB**	**Number Attending**
00:15	137	128
Location	**Well Name**	
Deepwater Horizon (DWH)	*Not Specified*	
Operator		**Lease Number**
BP Exploration		OCSGG32306
Response Satisfactory		
Yes		
OIM (Last, First)	**Master or Barge Supervisor (Last, First)**	
Ryan, Rodney J.	Kuchta, Curt Robert	
Drill Type		
Fire Drill		

Description Of Drill

Signal sounded for fire and Emergency on the vessels whistle and PA/GA. Simulated class B fire on the helideck. All non-essential personnel muster at secondary muster stations. Fire Team #1 Musters and reports to the helideck for training in the proper use of the helideck foam system. The port fire monitor on the helideck was exercises utilizing the foam pump. Discussion also held on the importance of manning the monitors until you are absolutely positive that the system is properly shutdown. Failure to man the monitor could result in injury due to a monitor not being controlled. Fire Team #2 musters and leads out a hose and applies full pressure from the port aft fire station. Both fire pumps 1 and 2 utilized.

Comments

Mustered in a timely fashion. Secondary muster stations were utilized due to the fact that this is how it would be handles in the event of a real emergency on the helideck in order to protect personnel. Electricians performed PMs on the Foam Pump while the exercise was ongoing. The Bosun was part of the drill as he is normally the HLO and would be the first responder/team leader in the event of a helicopter emergency.

Future Action / Development Required

Continue with vessel familiarization and the use of critical safety gear. Utilize the personnel associated with the equipment to get a better idea of both the proper use of the equipment as well as the hazards involved.

ATTENDANCE

Name	Position	
Arnold, Ronnie	MOTOR OPER	
Bass, Terry	DRILLER	
Bass, William	DECKPUSHER	
Bayer, Sean	3RD ASST MARINE ENGINEER	
Beard, Rex	DECKPUSHER	

Safety Drill Report - Complete

DRILL INFO

Drill Date (DD MMM YYYY)	Drill Time (HH:MM)	Document Number
21 Mar 2010	10:00	DWH-2010-Mar-026-SAF
Drill Duration (hrs)	**Number Of POB**	**Number Attending**
00:15	137	0
Location	**Well Name**	
Deepwater Horizon (DWH)	*Not Specified*	
Operator		**Lease Number**
BP Exploration		OCSGG32306
Response Satisfactory		
Yes		
OIM (Last, First)	**Master or Barge Supervisor (Last, First)**	
Ezell, Miles Randall	Kuchta, Curt Robert	
Drill Type		
Fire Drill		

Description Of Drill

Signal Sounded for simulated Class A Fire in Rm 302 on the vessels whistle and PA/GA. All non essential personnell muster at indoor muster stations due to inclimate weather. Fire Team #1 musters and stages in the Port Fwd change room to formulate a plan of attack for the fire. Fire Team #1 enters the space and is briefed on the different means of securing vintilation, boundary cooling, priority of the initial entry and searching for people in the space. Discussion was held on the various equipment that is available for combatting a fire in this space as well as similar spaces. All were briefed on the functions of the sprinkler system as well as the need to use minimal amounts of water in order to preserve stability of the vessel. Fire Team #2 mustered and trained in the proper donning of Bunker Suits and SCBAs.

Comments

Response was very timely. Communication was broken between Fire Team #1 and both the bridge and Chief Mate. Fire Team #1's leader was encouraged t conduct a quality radio function check before moving to the scene of the emergency.

Future Action / Development Required

Utilize specific fire team radios for drills. Continue training on response time and familiarity with various spaces including surrounding spaces.

ATTENDANCE

GENERAL COMMENTS

Added By	Date	Comment
hq\chiefmate.dwh	21 Mar 2010	Saved Form
hq\chiefmate.dwh	28 Mar 2010	Saved Form
hq\chiefmate.dwh	28 Mar 2010	Created Form
hq\olm.dwh	29 Mar 2010	Approved By OIM

Mansfield, James	1ST ASST MARINE ENGINEER	
Martinez, Dennis	DECKPUSHER	
Mayfield, Mike	SR DYNAMIC POS OPER	
McCorkle, Wayne	Galley Hand	
McGowan, Sean	1ST ASST MARINE ENGINEER	
McRaney, Luther	CHIEF MECHANIC	
McWhorter, Jim	SR SUBSEA SPVR (MUX)	
Meinhart, Paul	MOTOR OPER	
Moon, Garry	Auditor	
Morales, Heber	ROUSTABOUT	
Morgan, Patrick	ASST DRILLER	
Moss, Eugene	CRANE OPER	
Murray, Chad	CHIEF ELECTRICIAN	
Musgrove, James	ABLE BODIED SEAMAN	
Nunley, Mark	FLOORHAND	
O'Donnell, Sean	Sample Catcher	
Odenwald, Jay	SUBSEA SPVR	
Oldham, Jarod	3RD ASST MARINE ENGINEER	
Olofinboba, Oladeji	Sample Catcher	
Page, Rodney	ELECTRICIAN	
Parker Sr, Louis	BOSUN	
Parsons, James	ABLE BODIED SEAMAN	
Pellcan, James	CRANE OPER	
Petty, Alonzo	DERRICKHAND	
Pigg Jr, Samuel	ROUSTABOUT	
Pitts, Jerry	FLOORHAND	
Pleasant, Christopher	SUBSEA SPVR	
Porche, Roderick	Mud Logger	
Predki, Richard	CHIEF MECHANIC	
Prine, Jonathan	MOTOR OPER	
Procell, Colby	FLOORHAND	
Rachal, Bryan	Campboss	
Ramos, Carlos	ROUSTABOUT	
Ray, Barney	ASST DRILLER	
Reed, Darrell	Galley Hand	
Revette, Dewey	DRILLER	
Rhodes, Karl	PUMPHAND	
Richards, Steven	BOSUN	
Roark, Stenson	ELECTRONIC TECH	
Roberts, Kenneth	BR	
Roche, Nathaniel	SR DYNAMIC POS OPER	
Romero, Dwayne	CRANE OPER	
Roshto, Shane	FLOORHAND	
Rupinski, Darin	DYNAMIC POS OPER II	
Ryan, Rodney	OIM OFFSHORE INST MGR	
Sabiatura, Michael	ROUSTABOUT	
Sams Jr., Robert	FLOORHAND	
Sandell, Micah	CRANE OPER	
Sanders, John	DYNAMIC POS OPER II	
Sandidge, Casey	FLOORHAND	
Scafidel Jr., Jerry	MECHANIC	
Sellers, Terry	MOTOR OPER	
Sepulvado, Michael	ASST DRILLER	
Sepulvado, Murray	Company Man	
Sepulvado, Ronnie	Company Man	
Seralle, Allen	ASST DRILLER	
Simmons, Joseph	ABLE BODIED SEAMAN	

Ervin, Paris	Sample Catcher	
Estrada, Eric	SUBSEA TRAINEE	
Evans, Joseph	MATERIALS COORD	
Ezell, Miles	SR TOOLPUSHER	
Fleming, Jason	Cementer	
Fleytas, Andrea	DYNAMIC POS OPER II	
Foster, Joshua	ROUSTABOUT	
Francis, Bill	MEDIC	
Frevele, Gene	CHIEF ELECTRONIC TECH	
Garcia, Noe	Mechanic	
Glendenning, Michael	MECHANIC	
Graham, Anthony	FLOORHAND	
Gray, Kelly	Mudlogger	
Gregory, Lewis	Supt	
Hackney, David	MASTER	
Hadaway, Troy	RIG SAFETY & TRNG COORD III	
Hafle, Mark	Drilling Eng.	
Hall, Antonio	DERRICKHAND	
Hardy, Bradley	Field Engineer	
Harrell, Jimmy	OIM OFFSHORE INST MGR	
Hay, Mark	SR SUBSEA SPVR (MUX)	
Haygood, Tab	Mud Engineer	
Hearn, Robert	Baker	
Holloway, Caleb	FLOORHAND	
Hughes, Matthew	FLOORHAND	
Humphries, Donnie	MOTOR OPER	
Humphries, Kevin	FLOORHAND	
Ingram, James	SR MATERIALS COORD	
Isaac, Jerry	MECHANICAL SPVR	
Jacobs, Matthew	ROUSTABOUT	
James, Sebastian	ASST DRILLER	
Jeffcoat, Kevin	FLOORHAND	
Jenkins, David	Mechanic	
Jernigan, William	CHIEF MECHANIC	
Johnson, Dustin	ROUSTABOUT	
Johnson, Kevin	ROUSTABOUT	
Johnson, Steven	Mud Engineer	
Johnson, William	DECKPUSHER	
Jones, Keith	CRANE OPER	
Joseph, Keith	ROUSTABOUT	
Kearns, Robbie	ROUSTABOUT	
Keller, Matthew	MEDIC	
Kemp, Roy	DERRICKHAND	
Keplinger, Yancy	SR DYNAMIC POS OPER	
Kersey, Jonathan	FLOORHAND	
Kleppinger, Karl	FLOORHAND	
Kuchta, Curt	MASTER	
Lacy, Stuart	GEOLOGIST	
Ladner, Todd	PUMPHAND	
Lanigan, Will	MWD	
Latiolais, Dwayne	DRILLER	
LeJeune, Derrick	ROUSTABOUT	
Leonards, Paul	Serv.Tech	
Lindsey, Micah	RIG SAFETY & TRNG COORD II	
Litwinowicz, John	MWD	
Lupo, Nicholas	DYNAMIC POS OPER II	
Lynch, Philip	COOK	

Francis, Bill	MEDIC	
Frevele, Gene	CHIEF ELECTRONIC TECH	
Garza, Rosendo	PAINTER	
Gentry, Chris	ROV TECH	
Gilliam, Jeremy	PAINTER	
Glendenning, Michael	MECHANIC	
Graham, Anthony	FLOORHAND	
Green, Clarence	Galley Hand	
Hackney, David	MASTER	
Hadaway, Troy	RIG SAFETY & TRNG COORD III	
Hafle, Mark	Drilling Eng.	
Haire, Christopher	Cementer	
Hall, Antonio	DERRICKHAND	
Hardy, Bradley	Field Engineer	
Harrell, Jimmy	OIM OFFSHORE INST MGR	
Hay, Mark	SR SUBSEA SPVR (MUX)	
Haygood, Tab	Mud Engineer	
Hearn, Robert	Baker	
Holloway, Caleb	FLOORHAND	
Hughes, Matthew	FLOORHAND	
Humphries, Donnie	MOTOR OPER	
Humphries, Kevin	FLOORHAND	
Ingram, James	SR MATERIALS COORD	
Isaac, Jerry	MECHANICAL SPVR	
Jacobs, Matthew	ROUSTABOUT	
James, Sebastian	ASST DRILLER	
Jeffcoat, Kevin	FLOORHAND	
Jenkins, Alonzo	Service Technican	
Jernigan, William	CHIEF MECHANIC	
Johnson, Dustin	ROUSTABOUT	
Johnson, Kevin	ROUSTABOUT	
Johnson, William	DECKPUSHER	
Jones, Brad	Galley Hand	
Jones, Gordon	Mud Engineer	
Jones, Keith	CRANE OPER	
Joseph, Keith	ROUSTABOUT	
Kearns, Robbie	ROUSTABOUT	
Keller, Matthew	MEDIC	
Kemp, Roy	DERRICKHAND	
Keplinger, Yancy	SR DYNAMIC POS OPER	
Kersey, Jonathan	FLOORHAND	
Kleppinger, Karl	FLOORHAND	
Kuchta, Curt	MASTER	
Lacy, Stuart	GEOLOGIST.	
Ladner, Todd	PUMPHAND	
Lanigan, Will	MWD	
Latiolais, Dwayne	DRILLER	
Lee, Lantonio	MWD	
LeJeune, Derrick	ROUSTABOUT	
Lindsey, Micah	RIG SAFETY & TRNG COORD II	
Longoria, Ted	PAINT FOREMAN	
Lupo, Nicholas	DYNAMIC POS OPER II	
Lynch, Phillip	COOK	
Malczewskyj, Nick	Mudlogger	
Martinez, Dennis	DECKPUSHER	
Mayfield, Mike	SR DYNAMIC POS OPER	
McConnell, Philip	CHIEF ELECTRICIAN	

Bass, William	DECKPUSHER	
Bayer, Sean	3RD ASST MARINE ENGINEER	
Beard, Rex	DECKPUSHER	
Beckett, Solomon	FLOORHAND	
Bergeron, Van	SERVICE HAND	
Bertone, Stephen	CHIEF ENGINEER	
Boudreaux, Wilfred	MECHANIC	
Boullion, Brandon	Tech	
Bridges, Stephen	DERRICKHAND	
Brown, Douglas	CHIEF MECHANIC	
Burgess, Micah	DRILLER	
Burkeen, Aaron	CRANE OPER	
Calcote, Cody	ROUSTABOUT	
Caletka, Timothy	ROUSTABOUT	
Camacho, Audeliz	DYNAMIC POS OPER I	
Carden Jr., Stanley	ELECTRICAL/ELECTRONIC SPVR	
Carroll, John	ASST DRILLER	
Carroll, Nathan	ABLE BODIED SEAMAN	
Choy, Christopher	ROUSTABOUT	
Clark, Donald	ASST DRILLER	
Clements, Jeremy	SR MATERIALS COORD	
Cobb II, Wiley	PUMPHAND	
Cochran, Charles	CHIEF MECHANIC	
Cola, Kennedy	ROUSTABOUT	
Cole, Thomas	ROUSTABOUT	
Cook, Duane	CHIEF ELECTRICIAN	
Cooley, Jason	CHIEF ELECTRICIAN	
Costello, Darren	ROV TECH	
Cox, Patrick	CHIEF ELECTRONIC TECH	
Crawford, Truitt	ROUSTABOUT	
Cummings, John	CRANE OPER	
Curtis, Stephen	ASST DRILLER	
Cutrer, Michael	ABLE BODIED SEAMAN	
Daniels, Jarred	ROUSTABOUT	
Daniels, Paul	ELECTRICAL/ELECTRONIC SPVR	
Davey, Mark	DYNAMIC POS OPER II	
Davis, Matthew	BR	
Davis, Tyneke	ROUSTABOUT	
Delagarza, Thomas	PAINTER	
Dempsey, Clinton	ROUSTABOUT	
Dendy, Ricky	Clerk	
Derouen Jr., Antoine	WELDER	
Deshotel, John	SR TOOLPUSHER	
Dicello, Michael	CHIEF ENGINEER	
Dominguez, Gonzalo	3RD ASST MARINE ENGINEER	
Dow, Michael	CHIEF MATE	
Duffey Jr., Willard	CHIEF ELECTRICIAN	
Duhon, Christopher	FLOORHAND	
Dunn, Mike	Logistics Coordinator	
Dupont Jr., Thomas	PUMPHAND	
Dupre, Bryan	MATERIALS COORD	
Ervin, Paris	Sample Catcher	
Evans, Joseph	MATERIALS COORD	
Ezell, Miles	SR TOOLPUSHER	
Fleming, Jason	Cementer	
Fleytas, Andres	DYNAMIC POS OPER II	
Foster, Joshua	ROUSTABOUT	

Barron III, Daniel	FLOORHAND	
Benoit, Joe	Casing Crew	
Bertone, Stephen	CHIEF ENGINEER	
Blush, Ron	Field Technician	
Breland, Craig	CRANE OPER	
Brown, Douglas	CHIEF MECHANIC	
Burgess, Micah	DRILLER	
Burkeen, Aaron	CRANE OPER	
Burrell, Michael	ABLE BODIED SEAMAN	
Butler, Brent	Galley Hand	
Carden Jr., Stanley	ELECTRICAL/ELECTRONIC SPVR	
Chaisson, Nathaniel	Cement Engineer	
Choy, Christopher	ROUSTABOUT	
Clark, Donald	ASST DRILLER	
Cochran, Charles	CHIEF MECHANIC	
Cola, Kennedy	ROUSTABOUT	
Cole, Thomas	ROUSTABOUT	
Coon, Billy	ABLE BODIED SEAMAN	
Costello, Darren	ROV TECH	
Cox, Patrick	CHIEF ELECTRONIC TECH	
Credeur, Charles	SERVICE TECHNICIAN	
Cupit, Anthony	Serv.Supervisor	
Curtis, Stephen	ASST DRILLER	
Davis, Matthew	BR	
Davis, Stephen	WELDER	
Evans, Joseph	MATERIALS COORD	
Ezell, Miles	SR TOOLPUSHER	
Faulk, Shane	Technician	
Fleytas, Andrea	DYNAMIC POS OPER II	
Francis, Bill	MEDIC	
Fuqua, David	Jam Technician	
Gentry, Chris	ROV TECH	
Glendenning, Michael	MECHANIC	
Graham, Anthony	FLOORHAND	
Gray, Kelly	Mudlogger	
Guidroz, Robert	Service Specialist	
Guidry, Craig	CFT tech	
Guidry, Johnathon	Mud-Tech	
Guillory, Brett	TANK CLEANER	
Hackney, David	MASTER	
Hadaway, Troy	RIG SAFETY & TRNG COORD III	
Hardy, Bradley	Field Engineer	
Harrell, Jimmy	OIM OFFSHORE INST MGR	
Hay, Mark	SR SUBSEA SPVR (MUX)	
Hilton, Stan	Utility Hand	
Holloway, Caleb	FLOORHAND	
Hughes, Matthew	FLOORHAND	
Ingram, James	SR MATERIALS COORD	
Isaac, Jerry	MECHANICAL SPVR	
Jenkins, Alonzo	Service Technican	
Jernigan, William	CHIEF MECHANIC	
John, Lance	Rig Sys Specialist	
Johnson, Dustin	ROUSTABOUT	
Johnson, William	DECKPUSHER	
Jones, Brad	Galley Hand	
Jones, Cole	ROUSTABOUT	
Kakuza, Robert	Well Site Leader	

Safety Drill Report - Complete

DRILL INFO

Drill Date (DD MMM YYYY)	Drill Time (HH:MM)	Document Number
18 Apr 2010	10:01	DWH-2010-Apr-045-SAF
Drill Duration (hrs)	**Number Of POB**	**Number Attending**
00:15	144	133
Location	**Well Name**	
Deepwater Horizon (DWH)	*Not Specified*	
Operator		**Lease Number**
BP Exploration		OCSGG32306
Response Satisfactory		
Yes		
OIM (Last, First)	**Master or Barge Supervisor (Last, First)**	
Not Specified	*Not Specified*	
Drill Type		
Fire Drill		

Description Of Drill

Signal sounded for Fire and Emergency on the vessels PA/GA and whistle. All non-essential personnel muster at primary muster stations. Fire Teams 1 and 2 muster and report to Fire Station #2 muster station in response to a simulated class B fire in the cuttings box on the starboard aft deck. Fire Station #3 led out in an attempt to apply full pressure only to find a leak in the fire hose. (Fire hose has been changed out with a new hose) Two Fire Team personnel are suited up in full bunker gear in order to practice properly donning the fire fighting gear. Simulated the use of foam to extinguish the fire. All were debriefed on the proper donning of fire gear as well as the need to properly secure ventilation and be aware of alternate areas that could be affected.

Comments

All were mustered in a very timely manner. The ruptured hose was good practice for response to the need to change out a hose in a hurry.

Future Action / Development Required

More focus on the proper donning of gear to include all of the equipment. All are hesitant to properly use the flash hoods as they are hot and uncomfortable. All fire team members were reminded to ensure they utilize all of the proper equipment and have other team members inspect them before they enter a fire.

ATTENDANCE

Name	Position	
Abate, Jack	Nitrogen Supervisor	
Adams, Gary	WIRELINE	
Albers, Shane	Subsea Engineer	
Anderson, Gary	Cementer	
Anderson, Jason	TOOLPUSHER	
Anderson, Joseph	ROUSTABOUT	
Armstrong, Daniel	CHIEF ELECTRICIAN	

Carden Jr., Stanley	ELECTRICAL/ELECTRONIC SPVR	
Carroll, John	ASST DRILLER	
Chlasson, John	FIELD SPECIALIST	
Choy, Christopher	ROUSTABOUT	
Clark, Donald	ASST DRILLER	
Clements, Jeremy	SR MATERIALS COORD	
Cola, Kennedy	ROUSTABOUT	
Cole, Thomas	ROUSTABOUT	
Costello, Darren	ROV TECH	
Cox, Patrick	CHIEF ELECTRONIC TECH	
Crawford, Truitt	ROUSTABOUT	
Credeur, Charles	SERVICE TECHNICIAN	
Culpepper, Paul	SAMPLE RECOVERY	
Cupit, Anthony	Serv.Supervisor	
Curtis, Stephen	ASST DRILLER	
Dabrowski, Wojciech	Inspector	
Daniels, Jarred	ROUSTABOUT	
Davey, Mark	DYNAMIC POS OPER II	
Davis, Matthew	BR	
Delagarza, Thomas	PAINTER	
Dempsey, Clinton	ROUSTABOUT	
Derouen Jr., Antoine	WELDER	
Domangue, Darryll	WIRELINE	
Dominguez, Gonzalo	3RD ASST MARINE ENGINEER	
Dominguez, Jerald	MMO	
Dow, Michael	CHIEF MATE	
Ducote, Jason	Service Engineer	
Dupont Jr., Thomas	PUMPHAND	
Emanuel, Victor	WIRELINE ENGINEER	
Eugene, Kevin	Steward	
Evans, Joseph	MATERIALS COORD	
Ezell, Miles	SR TOOLPUSHER	
Foster, Joshua	ROUSTABOUT	
Francis, Bill	MEDIC	
Gentry, Chris	ROV TECH	
Gilliam, Jeremy	PAINTER	
Gray, Kelly	Mudlogger	
Haack, Josh	Wireline Technician	
Hackney, David	MASTER	
Hadaway, Troy	RIG SAFETY & TRNG COORD III	
Hardy, Bradley	Field Engineer	
Harrell, Jimmy	OIM OFFSHORE INST MGR	
Hay, Mark	SR SUBSEA SPVR (MUX)	
Hayes, Robert	Seismic Specialist	
Hilton, Stan	Utility Hand	
Holloway, Caleb	FLOORHAND	
Jacobs, Matthew	ROUSTABOUT	
James, Sebastian	ASST DRILLER	
Jenkins, Alonzo	Service Technican	
Jernigan, William	CHIEF MECHANIC	
John, Lance	Rig Sys Specialist	
Johnson, Milton	FLUID ENGINEER	
Jones, Brad	Galley Hand	
Jones, Cole	ROUSTABOUT	
Jones, Keith	CRANE OPER	
Kemp, Roy	DERRICKHAND	
Kleppinger, Karl	FLOORHAND	

Safety Drill Report - Complete

DRILL INFO

Drill Date (DD MMM YYYY)
11 Apr 2010

Drill Time (HH:MM)
10:00

Document Number
DWH-2010-Apr-041-SAF

Drill Duration (hrs)
00:30

Number Of POB
145

Number Attending
144

Location
Deepwater Horizon (DWH)

Well Name
Not Specified

Operator
BP Exploration

Lease Number
OCSG32306

Response Satisfactory
Yes

OIM (Last, First)
Not Specified

Master or Barge Supervisor (Last, First)
Not Specified

Drill Type
Fire Drill

Description Of Drill

Sounded alarm for Fire and Emergency on PA/GA and whistle for a simulated class B fire in Engine Room #1. Crew mustered at Fire and Emergency stations. Fire Team #1 made conducted training on the use of the portable foam eductors and the use of the fixed CO2 system. Fire Team #2 conducted hose training using hose from Fire Station #1 and simulated boundary cooling on the port aft main deck.

Comments

Reviewed the authorization proceedure for the use of the fixed CO2 system emphasizing the role that the Captain plays lo the process.

Future Action / Development Required

Continue with training on the use of the portable foam eductors.

ATTENDANCE

Name	Position	
Armstrong, Daniel	CHIEF ELECTRICIAN	
Arnold, Ronnie	MOTOR OPER	
Barron III, Daniel	FLOORHAND	
Bass, Terry	DRILLER	
Bass, William	DECKPUSHER	
Beckett, Solomon	FLOORHAND	
Benoit, Joe	Casing Crew	
Benton, Oleander	Baker	
Bertone, Stephen	CHIEF ENGINEER	
Boudreaux, Wilfred	MECHANIC	
Bridges, Stephen	DERRICKHAND	
Burrell, Michael	ABLE BODIED SEAMAN	
Butler, Brent	Galley Hand	

Boullion, Brandon	Tech	
Bridges, Stephen	DERRICKHAND	
Browning, Emily	Paleontologist	
Bryant, Christopher	HSE	
Burrell, Michael	ABLE BODIED SEAMAN	
Butler, Brent	Galley Hand	
Camacho, Audeliz	DYNAMIC POS OPER I	
Carden Jr., Stanley	ELECTRICAL/ELECTRONIC SPVR	
Carroll, John	ASST DRILLER	
Choy, Christopher	ROUSTABOUT	
Clark, Donald	ASST DRILLER	
Clements, Jeremy	SR MATERIALS COORD	
Cola, Kennedy	ROUSTABOUT	
Cole, Thomas	ROUSTABOUT	
Cooper, Patrick	Paleontologist	
Cox, Patrick	CHIEF ELECTRONIC TECH	
Crawford, Truitt	ROUSTABOUT	
Curtis, Stephen	ASST DRILLER	
Daniels, Jarred	ROUSTABOUT	
Davey, Mark	DYNAMIC POS OPER II	
Defagarza, Thomas	PAINTER	
Dempsey, Clinton	ROUSTABOUT	
Dendy, Ricky	Clerk	
Derouen Jr., Antoine	WELDER	
Dominguez, Gonzalo	3RD ASST MARINE ENGINEER	
Dow, Michael	CHIEF MATE	
Duffey Jr., Willard	CHIEF ELECTRICIAN	
Dunn, Mike	Logistics Coordinator	
Dupont Jr., Thomas	PUMPHAND	
Eugene, Kevin	Steward	
Evans, Joseph	MATERIALS COORD	
Fleming, Jason	Cementer	
Foster, Joshua	ROUSTABOUT	
Francis, Bill	MEDIC	
Francis, Kelly	REP I	
Frevele, Gene	CHIEF ELECTRONIC TECH	
Garner, Kerry	Mud Logger	
Gentry, Chris	ROV TECH	
Gilliam, Jeremy	PAINTER	
Hackney, David	MASTER	
Hadaway, Troy	RIG SAFETY & TRNG COORD III	
Haire, Christopher	Cementer	
Hardy, Bradley	Field Engineer	
Haygood, Tab	Mud Engineer	
Holloway, Caleb	FLOORHAND	
Jacobs, Matthew	ROUSTABOUT	
James, Sebastian	ASST DRILLER	
Jernigan, William	CHIEF MECHANIC	
Jones, Brad	Galley Hand	
Jones, Cole	ROUSTABOUT	
Jones, Gordon	Mud Engineer	
Jones, Keith	CRANE OPER	
Keith, Joseph	Mudlogger	
Kemp, Roy	DERRICKHAND	
Kilcrease, Jerry	Surveyor	
Kingsland, John	Surveyor	
Kleppinger, Karl	FLOORHAND	

Safety Drill Report - Complete

DRILL INFO

Drill Date (DD MMM YYYY)	Drill Time (HH:MM)	Document Number
04 Apr 2010	10:00	DWH-2010-Apr-036-SAF
Drill Duration (hrs)	**Number Of POB**	**Number Attending**
00:30	139	139
Location	**Well Name**	
Deepwater Horizon (DWH)	*Not Specified*	
Operator		**Lease Number**
BP Exploration		OCSGG32306
Response Satisfactory		
Yes		
OIM (Last, First)	**Master or Barge Supervisor (Last, First)**	
Ryan, Rodney J.	Hackney, David Morton	
Drill Type		
Fire Drill		

Description Of Drill

Sounded alarm on PA/GA and whistle for a simulated Class C fire in the ROV control van. Crew mustered at Fire and Emergency stations. Fire Team #1 made a simulated attack usign portable CO2 fire extinguishers.

Comments

While the fire drill was occuring, all of the PA/GA alarm speakers and alert lights were surveyed.

Future Action / Development Required

None at this time.

ATTENDANCE

Name	Position	
Aguirre, Will	Reamer Hand	
Allen, Monica	Sample Catcher	
Armstrong, Daniel	CHIEF ELECTRICIAN	
Arnold, Ronnie	MOTOR OPER	
Barron III, Daniel	FLOORHAND	
Bass, Terry	DRILLER	
Bass, William	DECKPUSHER	
Beckett, Solomon	FLOORHAND	
Bell, Anthony	MWD	
Bennett, Gordon	GEOLOGIST.	
Benton, Tyrone	ROV TECH	
Bergeron, Van	SERVICE HAND	
Bertone, Stephen	CHIEF ENGINEER	
Boesiger, Todd	Paleontologist	
Boudreaux, Wilfred	MECHANIC	

Transocean

Safety Drill Report

Printed : 20-May-2010
20:57 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	GREEN CANYON 823 #2	**Drill Report Number :**	1210	**Date :**	11-Jan-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	GREEN CANYON	**Tool Pusher :**	Anderson	**Time Required(hrs):**	1		
OIM :	Harrell	**Master/Barge :**	Marzolf	**Number of POB :**	139		
				Number of Participants :	139		

Drill Report Type : Fire Drill

Description of Drill

Emergency Scenario: Simulated Class B Fire in on the Helo-Deck

Overview of Exercise Plan: Sounded alarm and mustered crews for simulated Class A fire in the Wellhurter Shack. Bridge team simulated turning vessel downwind. Tech team secured power and ventilation to the unit. Fire Team # 1 responded to scene in full bunker gear. Fire Team #1 arrived on scene and extinguished fire using FM# 23 and FS# 5 acted as back up.

Fire Team # 2 conducted boundary cooling using FS# 3.

Comments

Quick and Accurate Muster

Future Action/Development Required

Continue with weekly drills

Signed OIM : Jimmy Harrell **Date:** 11-Jan-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:59 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	OCSG 16808-GREEN CANYON 8	**Drill Report Number :**	1206	**Date :**	04-Jan-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	GREEN CANYON	**Tool Pusher :**	Kent	**Time Required(hrs):**	0:36		
OIM :	Williams	**Master/Barge :**	Marzolf	**Number of POB :**	133		
				Number of Participants :	133		

Drill Report Type : Fire Drill

Description of Drill

Simulated Class B/C fire in the gantry crane

Comments

Sounded the alarm and mustered crew. Bridge and tech teams secured power and simulated a leading chance. Fire Team 1 donned gear and SCBA, making an attack using foam from Fire Station 1 and extinguishers. Fire Team 2 deployed to the SA 24m deck to hold confined space rescue training.

Future Action/Development Required

Continue with weekly drills. Understand this scenario involves an electric motor along with hydraulic oil fuel.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
20:53 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	GREEN CANYON 823 #2	**Drill Report Number :**	1228	**Date :**	08-Feb-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	GREEN CANYON	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.25		
OIM :	Williams	**Master/Barge :**	Mulse	**Number of POB :**	137		
				Number of Participants :	140		

Drill Report Type : Fire Drill

Description of Drill

Simulated Class C fire in the ROV Control Van. Sounded alarm for Fire and Emergency on the PA/GA and whistle. Crew mustered at Fire and Emergency stations. Fire Team #1 made simulated attack using portable CO2 fire extinguishers from the Crane Pedestal while Fire Team #2 conducted training on the donning and operation of SCBAS.

Comments

Conducted training with Fire Team #1 on the use of portable CO2 extinguishers. This included the importance of grounding the extinguisher when it is discharged.

There was also a discussion about the possibility of using a portable extinguisher in the same manner as a fixed system. This would involve dumping CO2 into a small space, securing the hatch, and then waiting for the CO2 to take effect.

The team leaders showed a good knowledge of why CO2 extinguishers were going to be effective for a fire in this location.

Future Action/Development Required

None at this time.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
20:54 GMT
GHS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	GREEN CANYON 823 #2	**Drill Report Number :**	1225 **Date :** 01-Feb-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	GREEN CANYON	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.5
OIM :	Williams	**Master/Barge :**	Kuchta	**Number of POB :**	139
				Number of Participants :	139

Drill Report Type : Fire Drill

Description of Drill

Simulated Class B Fire in the Port Aft Ballast Pump Room. Mustered Personnel at Fire and Emergency Stations. Fire Team #1 made a simulated attack using hose from Fire Station #54 while Fire Team #2 handled hoses and supported the attack.

Comments

Drill went well. Fire Team #1 arrived on scene wearing all of their equipment and had no problems donning SCBAs for entering the space.

Future Action/Development Required

None at this time.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
20:50 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLY CANYON 102 #1	**Drill Report Number :**	1245	**Date :**	08-Mar-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	KEATHLY CANYON 102	**Tool Pusher :**	Anderson	**Time Required(hrs):**	1		
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	139		
				Number of Participants :	139		

Drill Report Type : Fire Drill

Description of Drill

Emergency Scenario: Simulated Class B Fire at Heli Fuel Storage Station

Overview of Exercise Plan: Sounded alarm and mustered crews for simulated Class B fire at the heli-fuel storage station. Bridge simulated a heading change. Tech. Team simulated securing power. Chief Mate simulated closing remote shut off valves and activated foam suppression system. Fire Team # 2 responded to scene to fit bunker gear. Fire Team #2 simulated laying a foam blanket with FS #7 and. Simulated overhaul and re-flash watch.

Comments

Quick and accurate muster

Future Action/Development Required

Continue with weekly drills.

Signed OIM : Jimmy Harrell **Date:** 08-Mar-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:51 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	GC 823 #2ST01	**Drill Report Number :**	1241	**Date :**	01-Mar-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	GREEN CANYON	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	1		
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	134		
				Number of Participants :	134		

Drill Report Type : Fire Drill

Description of Drill

Emergency Scenario: Simulated Class B Fire at Oxyacetylene Storage Cage

Overview of Exercise Plan: Sounded alarm and mustered crews for simulated Class B fire at the oxyacetylene storage cage. Bridge simulated a heading change of 15 degrees. Tech. Team simulated securing power and ventilation. Fire Team # 1 responded to scene in full bunker gear. Fire Team #1 made extinguished simulated fire with FS #4 and used FS # 1 as a back up. Simulated overhaul and re-flash watch.

Fire Team # 2 conducted training on properly donning their bunker gear.

Comments

Quick And Accurate Muster

Future Action/Development Required

Continue with weekly drills

Signed OIM : Jimmy Harrell **Date:** 01-Mar-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:45 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1260 **Date :** 29-Mar-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.3
OIM :	Williams	**Master/Barge :**	Muise	**Number of POB :**	133
				Number of Participants :	133

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm on PA/GA and whistle for simulated Class A fire in the Laundry Room. Crew mustered at fire and emergency stations. Fire team #1 made a simulated attack using hose from Fire Stat on #23 while Fire team #2 conducted hose rea ding and simu ated boundary cooling. A simulated victim gave training to the medical team in the evaluation and treatment of fire victims.

Comments

Communication between the fire team in the space and people outside of the space could have gone more smoothly. The fire team did a good job of communicating between themselves.

Future Action/Development Required

plan for drills where the fire team will run out of hose and have to adapt to that situation.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
20:46 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1257	**Date :**	22-Mar-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.3		
OIM :	Williams	**Master/Barge :**	Muise	**Number of POB :**	132		
				Number of Participants :	132		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on the PA/GA for a Simulated Class B fire at the Trainer Recovery Unit. Crew mustered at Fire and Emergency stations. Fire Team 2 and an Ad Hoc fire team made a simulated coordinated attack using hose from fire star at #1.

Comments

Drill showed the importance of doing training with two hose teams operating as a unit.

Future Action/Development Required

Do more drills that require two fire teams to closely coordinate.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
20:36 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1276 **Date :** 19-Apr-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	1
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	131
				Number of Participants :	131

Drill Report Type : Fire Drill

Description of Drill

Emergency Scenario: Simulated Class A Fire in Radio Operators Office

Overview of Exercise Plan: Sounded alarm and mustered crews for a simulated Class A fire in the Radio Operators Office. Bridge Team simulated securing power and ventilation. Fire Team # 2 responded to scene in full bunker gear. Fire Team #3 made entry and extinguished simulated fire on the Radio Operators Office trash can with dry chemical extinguisher. Simulated overhaul and re-flash watch.

Fire Team # 1 conducted hose team training using Fire Station # 07

Comments

Quick and accurate muster

Future Action/Development Required

Continue with week y drills

Signed OIM : Jimmy Harrell **Date:** 19-Apr-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:40 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1267 **Date :** 12-Apr-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Deshotel	**Time Required(hrs):**	1
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	128
				Number of Participants :	126

Drill Report Type : Fire Drill

Description of Drill

Emergency Scenario: Simulated Class B fire in Machine Shop.

Overview of Exercise Plan: Sounded alarm and mustered Fire Teams, Tech. Team secured power and ventilation to surrounding spaces. Fire Team 2 responded in full bunker gear including SCBA. They made a direct attack using a team extinguisher. Missing person discovered after muster taken and found search team. Medical Team dispatched and removed IP to the hospital. Simulated boundary cooling, rescue, and set re-flash watch.

Comments

Quick and Accurate Muster

Future Action/Development Required

Continue with weekly drills

Signed OIM : Jimmy Harrell **Date:** 12-Apr-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:45 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1263 **Date :** 05-Apr-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Anderson	**Time Required(hrs):**	1
OIM :	Harrell	**Master/Barge :**	Muise	**Number of POB :**	143
				Number of Participants :	143

Drill Report Type : Fire Drill

Description of Drill

Emergency Scenario: Simulated Class C Fire in the Central Control Room

Overview of Exercise Plan: Sounded alarm and mustered crews for simulated Class C fire in the CCR. Control was transferred from the CCR to the ECR. CCR simulated turning vessel downwind. Fire Team #2 arrived on scene in bunker gear. Tech team secured power and ventilation to the CCR. It was determined that a release of the CO2 was required to extinguish the fire. After a complete muster the Captain authorized a simulated release of CO2 into the CCR. Boundary cooling watch set.

Comments

Quick and Accurate Muster

Future Action/Development Required

Continue with weekly drills

Signed OIM : Jimmy Harrell **Date:** 05-Apr-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:47 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1255	**Date :**	22-Mar-2009
Operator :	BP America	**SeniorTP :**		**Response Satisfactory :**		**Time :**	10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**		**Time Required(hrs):**			
OIM :	Williams	**Master/Barge :**		**Number of POB :**	132		
				Number of Participants :	0		

Drill Report Type : Fire Drill

Description of Drill

Simulated Fire at the Paint Thinner Recovery Unit. Signals sounded on the vessel whistle as well as the PA/GA for Fire and Emergency. Fire Teams 1 and 2 muster and report to the Paint Thinner Recovery Unit where hose training and simulation of an attack on the fire was conducted. The Bosun and 3 ABs covered Fire Team 1. All non-essential personnel were mustered at primary station per the station bill.

Comments

Bridge team discussed the possibility of heading changes as well as the use of MSDS sheets to determine the effects of chemicals in the area. A list of possible chemicals or items to be effected by the fire was compiled by knowledge of the area as well as the use of the most recent deck survey.

Future Action/Development Required

Smoother more orginized approach to home training to work all involved personnel through hose training.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
20:48 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1249 **Date :** 15-Mar-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.3
OIM :	Williams	**Master/Barge :**	Kuchta	**Number of POB :**	143
				Number of Participants :	143

Drill Report Type : Fire Drill

Description of Drill

Sounded fire and emergency alarm on PA/GA and whistle for simulated Class A fire in the Sack Room trash compactor. Crew mustered at fire and emergency stations. Fire team #1 conducted simu area attack using water from fire station #66 while fire team #2 conducted training on the use of hoses, donning and use of SCBAs, and establishment of ventilation.

Comments

Attack portion of the drill went well. The nozzleman was aware of his surroundings and was able to answer the questions asked of him.

Future Action/Development Required

Awareness of safe pathways while enroute to staging location. Continue with SCBA training.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
20:52 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	GC 823 #2ST01	**Drill Report Number :**	1236	**Date :**	22-Feb-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	GREEN CANYON	**Tool Pusher :**	Watson	**Time Required(hrs):**	1		
OIM :	Harrell	**Master/Barge :**	Muise	**Number of POB :**	132		
				Number of Participants :	132		

Drill Report Type : Fire Drill

Description of Drill

Emergency Scenario: Simulated Class B Fire in on the Helo-Deck

Overview of Exercise Plan: Sounded alarm and mustered crews for a simulated Class B fire on the Helo-Deck. Bridge Team simulated turning vessel downwind. Fire Team # 1 responded to scene and were given instructions from HIO. Fire Team #1 arrived on scene and extinguished a mulated fire on the Helo-Deck with foam monitors. HLO instructed all present on use of the fire fighting equipment on the Helo Deck and demonstrated use of foam monitor.

Fire Team # 2 conducted hose team training using Fire Station # 6 .

Comments

Quick and Accurate Muster

Future Action/Development Required

Continue with weekly drills

Signed OIM : Jimmy Harrell **Date:** 22-Feb-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:52 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	GREEN CANYON 823 #2	**Drill Report Number :**	1234	**Date :**	15-Feb-2009
Operator :	BP America	**SeniorTP :**	Volaw	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	GREEN CANYON	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.25		
OIM :	Williams	**Master/Barge :**	Muise	**Number of POB :**	129		
				Number of Participants :	129		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for simulated Class B fire in Engine Room #1. Crew mustered at Fire and Emergency stations. Fire Team #1 made a simulated attack using foam from Fire Station #33 while Fire Team #2 conducted hose and SCBA training using hose from Fire Station #1.

Comments

Conducted training with Fire Team #1 on the operation of the foam eductor including recognizing the proper settings for mix percentage. Also conducted training with the hose team on the proper method for applying foam underneath one of the main engines or generator.

Both fire teams did a good job of quickly donning their SCBAs.

Future Action/Development Required

Continue with SCBA donning training.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
20:55 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	GREEN CANYON 823 #2	**Drill Report Number :**	1220	**Date :**	25-Jan-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	GREEN CANYON	**Tool Pusher :**	Kent	**Time Required(hrs):**	1		
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	141		
				Number of Participants :	146		

Drill Report Type : Fire Drill

Description of Drill

Emergency Scenario: Simulated Class A Fire in Radio Operators Office

Overview of Exercise Plan: Sounded Alarm And mustered crews for simulated Class A fire in the Radio Operators Office. Bridge Team Simulated securing power and ventilation. Fire Team # 1 responded to scene in full turkey gear. Fire Team #1 made entry and extinguished simulated fire on the Radio Operators Office trash can with dry chemical extinguisher. Simulated overhaul and re-flash watch.

Fire Team # 2 conducted hose team training using Fire Station # 0..

Comments

Quick and Accurate Muster

Future Action/Development Required

Continue with weekly drills

Signed OIM : Jimmy Harrell **Date:** 25-Jan-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:56 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	GREEN CANYON 823 #2	**Drill Report Number :**	1215	**Date :**	18-Jan-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	GREEN CANYON	**Tool Pusher :**	Deshotel	**Time Required(hrs):**	1		
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	136		
				Number of Participants :	138		

Drill Report Type : Fire Drill

Description of Drill

Emergency Scenario: Simulated Class C fire in Thruster # 7 Drive Room.

Overview of Exercise Plan: Sounded Alarm and mustered Fire Teams, Tech. Team secured power and ventilation to space. Fire Team 1 responded in full bunker gear including SCBA's. They made entry via the stair well and simulated a direct attack with a semi- portable CO2 extinguisher (#170.) Fire Team 2 approached as back up team from aft column and pontoon. Conducting boundary cooling and re-flash watch.

Response Team conducted training on Setgates.

Comments

Quick and Accurate Muster

Future Action/Development Required

Continue with weekly drills

Signed OIM : Jimmy Harrell **Date:** 18-Jan-2009

Weise, Adam	FLOORHAND	
West, Fred	BR	
Wheeler, Wyman	TOOLPUSHER	
Whittle, John	FLOORHAND	
Williams, Harmon	RADIO OPERATOR	
Williams, Ira	BR	
Williams, Larry	Sample Catcher	
Winchester, Monte	TOOLHAND	
Windham, Allen	MECHANICAL SPVR	
Young, Robert	Steward	

GENERAL COMMENTS

Added By	Date	Comment
hq\chiefmate.dwh	04 Apr 2010	Created Form
hq\olm.dwh	05 Apr 2010	Approved By OIM

Ladner, Todd	PUMPHAND	
Lanigan, Will	MWD	
Lee, Earl	Company Man	
Lee, Lantonio	MWD	
LeJeune, Derrick	ROUSTABOUT	
Levine, Jerome	SPECIALIST II RIG COND ASSESSMENT	
Llewellyn, James	Galley Hand	
Longoria, Ted	PAINT FOREMAN	
Lupo, Nicholas	DYNAMIC POS OPER II	
Mansfield, James	1ST ASST MARINE ENGINEER	
Martinez, Dennis	DECKPUSHER	
Martinez, Victor	Inspector	
Mayfield, Mike	SR DYNAMIC POS OPER	
McKee, Johnny	DIRECTIONAL DRILLER	
McRaney, Luther	CHIEF MECHANIC	
McWhorter, Jim	SR SUBSEA SPVR (MUX)	
Midkiff, Preston	Sample Catcher	
Moss, Eugene	CRANE OPER	
Musgrove, James	ABLE BODIED SEAMAN	
Nault, Michael	Paleontologist	
O'Donnell, Sean	Sample Catcher	
Odenwald, Jay	SUBSEA SPVR	
Oldham, Jarod	3RD ASST MARINE ENGINEER	
Page, Rodney	ELECTRICIAN	
Paine, Kate	ANALYST	
Pelican, James	CRANE OPER	
Perez, Santiago	PAINTER	
Pigg Jr, Samuel	ROUSTABOUT	
Preas, Pat	Paleontologist	
Price, Vincent	Company Man	
Prine, Jonathan	MOTOR OPER	
Procell, Colby	FLOORHAND	
Revette, Dewey	DRILLER	
Richards, Steven	BOSUN	
Roche, Nathaniel	SR DYNAMIC POS OPER	
Romero, Dwayne	CRANE OPER	
Roshto, Shane	FLOORHAND	
Ruffin, Nobel	Galley Hand	
Rupinski, Darin	DYNAMIC POS OPER II	
Ryan, Rodney	OIM OFFSHORE INST MGR	
Sams Jr., Robert	FLOORHAND	
SCHNEIDER, ALAN	Surveyor	
Sellers, Terry	MOTOR OPER	
Shields, Jonathan	Galley Hand	
Simmons, Joseph	ABLE BODIED SEAMAN	
Smith, Terry	DIRECTIONAL DRILLER	
Stafford, Terry	ROV SUPERVISOR	
Stevens, Virgina	LAUNDRY	
Stockstill, Steven	FLOORHAND	
Stone, Stephen	ROUSTABOUT	
Thomas, Erike	Tech	
Turner, Samuel	ROUSTABOUT	
Tushman, Kira	GEOLOGIST	
Ussin, Dominic	BR	
Votaw, James	SR TOOLPUSHER	
Walker, Paula	LAUNDRY - DAYS	
Watson, Robert	TOOLPUSHER	

Stone, Stephen	ROUSTABOUT	
Tabler, Vincent	Cementer	
Thomas, Erike	Tech	
Turner, Samuel	ROUSTABOUT	
Ussin, Dominic	BR	
Walker, Paula	LAUNDRY - DAYS	
Washington, Lonnie	Galley Hand	
Watson, Robert	TOOLPUSHER	
Weise, Adam	FLOORHAND	
West, Fred	BR	
Wheeler, Wyman	TOOLPUSHER	
Whittle, John	FLOORHAND	
Williams, Harmon	RADIO OPERATOR	
Williams, Michael	CHIEF ELECTRONIC TECH	
Willis, Cathleenia	Mudlogger	
Wilson, James	DISPATCHER/CLERK	
Windham, Allen	MECHANICAL SPVR	

GENERAL COMMENTS

Added By	Date	Comment
hq\chiefmate.dwh	13 Apr 2010	Created Form
hq\oim.dwh	14 Apr 2010	Good training and discussion on the procedure for use of fixed Co2 systems.
hq\oim.dwh	14 Apr 2010	Approved By OIM

Kruzenlski, David	MDT Engineer	
Lacy, Stuart	GEOLOGIST.	
Ladner, Todd	PUMPHAND	
Lanigan, Will	MWD	
LeJeune, Derrick	ROUSTABOUT	
Lindner, Leo	Mud Engineer	
Litwinowicz, John	MWD	
Longoria, Ted	PAINT FOREMAN	
Louviere, Randy	WIRELINE	
Lupo, Nicholas	DYNAMIC POS OPER II	
Lynch, Phillip	COOK	
Mansfield, James	1ST ASST MARINE ENGINEER	
Martinez, Dennis	DECKPUSHER	
Mayfield, Mike	SR DYNAMIC POS OPER	
McRaney, Luther	CHIEF MECHANIC	
Monceaux, Troy	ROV TECH	
Moore, John	WIRELINE	
Moore, Theodore	MMO	
Moss, Eugene	CRANE OPER	
Murphy, Thomas	MMO	
Murray, Chad	CHIEF ELECTRICIAN	
Musgrove, James	ABLE BODIED SEAMAN	
O'Toole, Ryan	WIRELINE	
Odenwald, Jay	SUBSEA SPVR	
Oldham, Jarod	3RD ASST MARINE ENGINEER	
Page, Rodney	ELECTRICIAN	
Parsons, James	ABLE BODIED SEAMAN	
Payne, Karl	Fishing Tool Operator	
Pelican, James	CRANE OPER	
Peltier, Jason	SAMPLE ANALYSIS	
Perez, Santiago	PAINTER	
Pigg Jr, Samuel	ROUSTABOUT	
Prine, Jonathan	MOTOR OPER	
Procell, Colby	FLOORHAND	
Rachal, Bryan	Campboss	
Reed, Darrell	Galley Hand	
Revette, Dewey	DRILLER	
Richard, Robert	Technician	
Richards, Steven	BOSUN	
Ripple, Ryan	Oilphase	
Roark, Stenson	ELECTRONIC TECH	
Roberts, Kenneth	BR	
Roche, Nathaniel	SR DYNAMIC POS OPER	
Roshto, Shane	FLOORHAND	
Rupinski, Darin	DYNAMIC POS OPER II	
Saldana, Jorge	Operator Tech	
Sams Jr., Robert	FLOORHAND	
Sellers, Terry	MOTOR OPER	
Sepulvado, Murray	Company Man	
Sepulvado, Ronnie	Company Man	
Simmons, Joseph	ABLE BODIED SEAMAN	
Skripnikova, Galina	Petrophysicist	
Smith, Adam	DIRECTIONAL DRILLER	
Smith, David	Core Tech	
Soilberger, Alex	Mud Engineer	
Splawn, Robert	COORDINATOR	
Stockstill, Steven	FLOORHAND	

Ussin, Dominic	BR	
Vidrine, Donald	Company Man	
Walker, Paula	LAUNDRY - DAYS	
Washington, Lonnie	Galley Hand	
Watson, Nickalus	ROUSTABOUT	
Weise, Adam	FLOORHAND	
West, Fred	BR	
Wheeler, Wyman	TOOLPUSHER	
Williams, Michael	CHIEF ELECTRONIC TECH	
Willis, Cathleenia	Mudlogger	
Wilson, James	DISPATCHER/CLERK	
Young, David	CHIEF MATE	

GENERAL COMMENTS

Added By	Date	Comment
hq\chiefmate.dwh	18 Apr 2010	Saved Form
hq\chiefmate.dwh	18 Apr 2010	Created Form
hq\oim.dwh	18 Apr 2010	Drills need to be treated as the real deal and all life saving equipment needs to be utilized.
hq\oim.dwh	18 Apr 2010	Approved By OIM

Kemp, Roy	DERRICKHAND	
Keplinger, Yancy	SR DYNAMIC POS OPER	
Kersey, Jonathan	FLOORHAND	
Kleppinger, Karl	FLOORHAND	
Ladner, Todd	PUMPHAND	
Lambert, Heath	TANK CLEANER	
Lambert, Lee	Wellsite Trainee	
Lanigan, Will	MWD	
Lavergne, Carl	Supervisor	
Lavergne, Cory	Field Technician	
Ledoux, Terry	TOOLHAND	
Lindner, Leo	Mud Engineer	
Lynch, Phillip	COOK	
Lynch, Shannon	Stabmaster Technician	
Mansfield, James	1ST ASST MARINE ENGINEER	
Manuel, Blair	Mud Engineer	
Martinez, Dennis	DECKPUSHER	
Mayfield, Mike	SR DYNAMIC POS OPER	
Meinhart, Paul	MOTOR OPER	
Monceaux, Troy	ROV TECH	
Morales, Heber	ROUSTABOUT	
Morel, Brian	Drilling Eng.	
Morgan, Patrick	ASST DRILLER	
Murray, Chad	CHIEF ELECTRICIAN	
Nunley, Mark	FLOORHAND	
Odenwald, Jay	SUBSEA SPVR	
Oldham, Jarod	3RD ASST MARINE ENGINEER	
Petty, Alonzo	DERRICKHAND	
Pitts, Jerry	FLOORHAND	
Quebodeaux, John	Mud Eng	
Rachal, Bryan	Campboss	
Ramos, Carlos	ROUSTABOUT	
Reed, Darrell	Galley Hand	
Reed, Todd	JAM TECH	
Revette, Dewey	DRILLER	
Richard, Earnest	THREAD REP	
Richards, Steven	BOSUN	
Roark, Stenson	ELECTRONIC TECH	
Roberts, Kenneth	BR	
Roshto, Shane	FLOORHAND	
Rupinski, Darin	DYNAMIC POS OPER II	
Sandell, Micah	CRANE OPER	
Scroggins, Wayne	TECH PLUG SET	
Sellers, Terry	MOTOR OPER	
Senegal, Kevin	Serv. Tech	
Seraile, Allen	ASST DRILLER	
Simmons, Joseph	ABLE BODIED SEAMAN	
Simon, Clayton	Casing Crew	
Siddmore, Ross	WELL SUPERVISOR	
Smith, Adam	DIRECTIONAL DRILLER	
Splawn, Robert	COORDINATOR	
Spruel, Elmo	Nitrogen Supervisor	
Stone, Stephen	ROUSTABOUT	
Stoner, William	MOTOR OPER	
Tabler, Vincent	Cementer	
Taylor, Carl	RADIO OPERATOR	
Thomas, Erike	Tech	

Stone, Stephen	ROUSTABOUT	
Stoner, William	MOTOR OPER	
Taylor, Carl	RADIO OPERATOR	
Terrell II, William	CHIEF ELECTRONIC TECH	
Thibodeaux, Justin	CRANE OPER	
Tiano, Robert	MAINTENANCE SPVR	
Trenum, Ronald	ASST DRILLER	
Turner, Samuel	ROUSTABOUT	
Turner, Terrence	CHIEF MECHANIC	
Ussin, Renard	Galley Hand	
Verhaar, Derek	FLOORHAND	
Votaw, James	SR TOOLPUSHER	
Walker, Paula	LAUNDRY - DAYS	
Washam, Brandon	WELDER	
Washington, Lonnie	Galley Hand	
Watson, Nickalus	ROUSTABOUT	
Watson, Robert	TOOLPUSHER	
Weise, Adam	FLOORHAND	
Wheeler, Wyman	TOOLPUSHER	
Whittle, John	FLOORHAND	
Wilkerson, Gordon	MUD ENGINEER	
Williams, Charlie	ROUSTABOUT	
Williams, Harmon	RADIO OPERATOR	
Williams, Michael	CHIEF ELECTRONIC TECH	
Williams, Sarah	SR DYNAMIC POS OPER	
Winchester, Monte	TOOLHAND	
Windham, Allen	MECHANICAL SPVR	
Young, David	CHIEF MATE	

GENERAL COMMENTS

Added By	Date	Comment
hq\chiefmate.dwh	07 Mar 2010	Saved Form
hq\chiefmate.dwh	07 Mar 2010	Created Form
hq\olm.dwh	08 Mar 2010	After review found that muster sheets were correct and had communication error of which fire team reported to lifeboat station and kept for additional training.
hq\olm.dwh	08 Mar 2010	Approved By OIM

McCorkle, Wayne	Galley Hand	
McGowan, Sean	1ST ASST MARINE ENGINEER	
McKee, Johnny	DIRECTIONAL DRILLER	
McRaney, Luther	CHIEF MECHANIC	
McTair, Hector	Galley Hand	
McWhorter, Jim	SR SUBSEA SPVR (MUX)	
Meinhart, Paul	MOTOR OPER	
Midkiff, Preston	Sample Catcher	
Monceaux, Troy	ROV TECH	
Morales, Heber	ROUSTABOUT	
Morgan, Patrick	ASST DRILLER	
Moss, Eugene	CRANE OPER	
Murray, Chad	CHIEF ELECTRICIAN	
Musgrove, James	ABLE BODIED SEAMAN	
Nunley, Mark	FLOORHAND	
O'Donnell, Sean	Sample Catcher	
O'Neil, Michael	Wellness Coordinator	
Odenwald, Jay	SUBSEA SPVR	
Oldham, Jarod	3RD ASST MARINE ENGINEER	
Olofinboba, Oladeji	Sample Catcher	
Page, Rodney	ELECTRICIAN	
Paine, Kate	ANALYST	
Parker Sr, Louis	BOSUN	
Parsons, James	ABLE BODIED SEAMAN	
Pelican, James	CRANE OPER	
Petty, Alonzo	DERRICKHAND	
Pigg Jr, Samuel	ROUSTABOUT	
Pitts, Jerry	FLOORHAND	
Pleasant, Christopher	SUBSEA SPVR	
Predki, Richard	CHIEF MECHANIC	
Prine, Jonathan	MOTOR OPER	
Procell, Colby	FLOORHAND	
Ramos, Carlos	ROUSTABOUT	
Ray, Barney	ASST DRILLER	
Reed, Darrell	Galley Hand	
Revette, Dewey	DRILLER	
Rhodes, Karl	PUMPHAND	
Roark, Stenson	ELECTRONIC TECH	
Roberts, Kenneth	BR	
Roche, Nathaniel	SR DYNAMIC POS OPER	
Romero, Dwayne	CRANE OPER	
Roshto, Shane	FLOORHAND	
Rupinski, Darin	DYNAMIC POS OPER II	
Ryan, Rodney	OIM OFFSHORE INST MGR	
Sablatura, Michael	ROUSTABOUT	
Sams Jr., Robert	FLOORHAND	
Sandell, Micah	CRANE OPER	
Sanders, John	DYNAMIC POS OPER II	
Sandidge, Casey	FLOORHAND	
Scafidel Jr., Jerry	MECHANIC	
Sellers, Terry	MOTOR OPER	
Sepulvado, Michael	ASST DRILLER	
Sepulvado, Murray	Company Man	
Seralle, Allen	ASST DRILLER	
Simmons, Joseph	ABLE BODIED SEAMAN	
Spangler III, Wilmer	FLOORHAND	
Stockstill, Steven	FLOORHAND	

Safety Drill Report - Complete

DRILL INFO

Drill Date (DD MMM YYYY) 07 Mar 2010	Drill Time (HH:MM) 10:00	Document Number DWH-2010-Mar-016-SAF
Drill Duration (hrs) 00:15	Number Of POB 132	Number Attending 207
Location Deepwater Horizon (DWH)	Well Name *Not Specified*	
Operator BP Exploration		Lease Number OCSGG32306
Response Satisfactory Yes		
OIM (Last, First) Harrell, Jimmy Wayne	Master or Barge Supervisor (Last, First) Hackney, David Morton	
Drill Type Fire Drill		

Description Of Drill

Signal sounded for fire and emergency on vessels whistle and PA/GA. Simulated Class C Fire at the Buckle Unit on port aft main deck. All non essential personnel mustered at primary muster stations. Fire Team #1 mustered and reported to the scene staging on the port aft main deck. Fire Team #1 simulated securing power, ventilation and approach to the fire and utilizing dry powder to extinguish the fire. After simulated that the fire had been extinguished a re flash watch was simulated and Fire Team #1 debriefed on the exercise. Fire Team #2 mustered and reported to Fire Station #9 to run out a fire hose and charge to full pressure. Full pressure was applied for an extended period of time in order to perform tests on Fire Pump #1 after recent maintenance.

Comments

There was some confusion with the new muster lists as this was the first time the new lists generated within GMS have been used. All tests on Fire Pump #1 proved that Fire Pump #1 is ready for service and in good order.

Future Action / Development Required

Continue improvement on expediting the muster process.

ATTENDANCE

Name	Position	
Adams, Charles	TOOL OPERATOR	
Aguirre, Will	Reamer Hand	
Anderson, Jason	TOOLPUSHER	
Anderson, Joseph	ROUSTABOUT	
Armstrong, Daniel	CHIEF ELECTRICIAN	
Arnold, Ronnie	MOTOR OPER	
Barron III, Daniel	FLOORHAND	
Bass, Terry	DRILLER	

Smith, Terry	DIRECTIONAL DRILLER	
Spangler III, Wilmer	FLOORHAND	
Stevens, Virgina	LAUNDRY	
Stives, Vincent	Mechanic	
Stockstill, Steven	FLOORHAND	
Stone, Stephen	ROUSTABOUT	
Stoner, William	MOTOR OPER	
Taylor, Carl	RADIO OPERATOR	
Terrell II, William	CHIEF ELECTRONIC TECH	
Thibodeaux, Justin	CRANE OPER	
Thomas, Erike	Tech	
Tiano, Robert	MAINTENANCE SPVR	
Trenum, Ronald	ASST DRILLER	
Turner, Samuel	ROUSTABOUT	
Turner, Terrence	CHIEF MECHANIC	
Ussin, Renard	Galley Hand	
Verhaar, Derek	FLOORHAND	
Votaw, James	SR TOOLPUSHER	
Walker, Paula	LAUNDRY - DAYS	
Washam, Brandon	WELDER	
Washington, Lonnie	Galley Hand	
Watson, Nickalus	ROUSTABOUT	
Watson, Robert	TOOLPUSHER	
Weise, Adam	FLOORHAND	
Wheeler, Wyman	TOOLPUSHER	
Whittle, John	FLOORHAND	
Williams, Charlie	ROUSTABOUT	
Williams, Harmon	RADIO OPERATOR	
Williams, Michael	CHIEF ELECTRONIC TECH	
Williams, Sarah	SR DYNAMIC POS OPER	
Wilson, James	DISPATCHER/CLERK	
Winchester, Monte	TOOLHAND	
Windham, Allen	MECHANICAL SPVR	
Young, David	CHIEF MATE	

GENERAL COMMENTS

Added By	Date	Comment
hq\chiefmate.dwh	14 Mar 2010	Created Form
hq\oim.dwh	14 Mar 2010	Quick response and efficent training for fire teams.
hq\oim.dwh	14 Mar 2010	Approved By OIM

Arnold, Ronnie	MOTOR OPER	
Barron III, Daniel	FLOORHAND	
Bass, Terry	DRILLER	
Bass, William	DECKPUSHER	
Bayer, Sean	3RD ASST MARINE ENGINEER	
Beard, Rex	DECKPUSHER	
Beasley, Chad	DIRECTIONAL DRILLER	
Beckett, Solomon	FLOORHAND	
Belt, Anthony	MWD	
Benoit, Joe	Casing Crew	
Benton, Oleander	Baker	
Bergeron, Van	SERVICE HAND	
Bertone, Stephen	CHIEF ENGINEER	
Boudreaux, Wilfred	MECHANIC	
Bridges, Stephen	DERRICKHAND	
Brown, Douglas	CHIEF MECHANIC	
Burgess, Micah	DRILLER	
Burkeen, Aaron	CRANE OPER	
Burrell, Michael	ABLE BODIED SEAMAN	
Calcote, Cody	ROUSTABOUT	
Caletka, Timothy	ROUSTABOUT	
Camacho, Audeliz	DYNAMIC POS OPER I	
Carden Jr., Stanley	ELECTRICAL/ELECTRONIC SPVR	
Carroll, John	ASST DRILLER	
Carroll, Nathan	ABLE BODIED SEAMAN	
Choy, Christopher	ROUSTABOUT	
Clark, Donald	ASST DRILLER	
Clements, Jeremy	SR MATERIALS COORD	
Cobb II, Wiley	PUMPHAND	
Cochran, Charles	CHIEF MECHANIC	
Cola, Kennedy	ROUSTABOUT	
Cole, Thomas	ROUSTABOUT	
Cook, Duane	CHIEF ELECTRICIAN	
Cooley, Jason	CHIEF ELECTRICIAN	
Coon, Billy	ABLE BODIED SEAMAN	
Cox, Patrick	CHIEF ELECTRONIC TECH	
Crawford, Truitt	ROUSTABOUT	
Cummings, John	CRANE OPER	
Cupit, Anthony	Serv.Supervisor	
Curtis, Stephen	ASST DRILLER	
Cutrer, Michael	ABLE BODIED SEAMAN	
Daniels, Jarred	ROUSTABOUT	
Daniels, Paul	ELECTRICAL/ELECTRONIC SPVR	
Davey, Mark	DYNAMIC POS OPER II	
Davis, Matthew	BR	
Davis, Tyneke	ROUSTABOUT	
Dempsey, Clinton	ROUSTABOUT	
Dendy, Ricky	Clerk	
Derouen Jr., Antoine	WELDER	
Deshotel, John	SR TOOLPUSHER	
Dicello, Michael	CHIEF ENGINEER	
Dominguez, Gonzalo	3RD ASST MARINE ENGINEER	
Dow, Michael	CHIEF MATE	
Duffey Jr., Willard	CHIEF ELECTRICIAN	
Duhon, Christopher	FLOORHAND	
Dupont Jr., Thomas	PUMPHAND	
Dupre, Bryan	MATERIALS COORD	

Safety Drill Report - Complete

DRILL INFO

Drill Date (DD MMM YYYY)	Drill Time (HH:MM)	Document Number
14 Mar 2010	10:00	DWH-2010-Mar-022-SAF
Drill Duration (hrs)	**Number Of POB**	**Number Attending**
00:15	130	210
Location	**Well Name**	
Deepwater Horizon (DWH)	*Not Specified*	
Operator		**Lease Number**
BP Exploration		OCSGG32306
Response Satisfactory		
Yes		
OIM (Last, First)	**Master or Barge Supervisor (Last, First)**	
Harrell, Jimmy Wayne	Kuchta, Curt Robert	
Drill Type		
Fire Drill		

Description Of Drill

Signal sounded for Fire and Emergency on the vessels whistle and PA/GA for a simulated class C fire in the upper thruster dive room for thruster #6. All non essential personnel muster at primary muster stations while Fire Team #1 musters and reports to the scene of the drill scenario. Fire Team #2 musters and conducts hose training with Fire Station #3. Fire Team #1 simulates an approach to the fire and is briefed on the necessity to utilize the stairs rather than the elevator during any emergency situation. Training conducted on the proper use of the sound powered phones in the event that there is a loss of radio contact or the power is lost. Fire Team #1 simulates extinguishing the fire with the use of CO2 and is briefed on alternate access routes and boundary areas.

Comments

Fire Team #1 also briefed on the proper use of minimal yet affective amounts of water in order to reduce the risk of stability issues. Also water would only be used on a C Class fire once confirmation is made that power is secured. Fire Teams were asked to note the distance that hoses would have to be run in the event that access to the space is not available without the use of a fire team and protection from an applicator or low velocity fog.

Future Action / Development Required

Continue training with space awareness and encourage the Fire Team leaders and Fire Team members to play a more active roll in the drill scenarios.

ATTENDANCE

Name	Position	
Aguirre, Will	Reamer Hand	
Anderson, Jason	TOOLPUSHER	
Anderson, Joseph	ROUSTABOUT	
Annand, Amy	AUDITOR III	
Armstrong, Daniel	CHIEF ELECTRICIAN	

Watson, Robert	TOOLPUSHER	
West, Fred	BR	
Whittle, John	FLOORHAND	
Williams, Charlie	ROUSTABOUT	
Williams, Harmon	RADIO OPERATOR	
Williams, Ira	BR	
Willis, Cathleenia	Mudlogger	
Wincham, Allen	MECHANICAL SPVR	
Young, David	CHIEF MATE	

GENERAL COMMENTS

Added By	Date	Comment
hq\chiefmate.dwh	28 Mar 2010	Saved Form
hq\chiefmate.dwh	28 Mar 2010	Created Form
hq\olm.dwh	29 Mar 2010	Approved By OIM

Keller, Matthew	MEDIC	
Kuchta, Curt	MASTER	
Laliberte, Michael	Field Supvr	
Lambert, Lee	Wellsite Trainee	
Lanigan, Will	MWD	
Labiolais, Dwayne	DRILLER	
Ledoux, Terry	TOOLHAND	
Lee, Earl	Company Man	
LeJeune, Derrick	ROUSTABOUT	
Lindsey, Micah	RIG SAFETY & TRNG COORD II	
Llewellyn, James	Galley Hand	
Longoria, Ted	PAINT FOREMAN	
McGowan, Sean	1ST ASST MARINE ENGINEER	
McKee, Johnny	DIRECTIONAL DRILLER	
McRaney, Luther	CHIEF MECHANIC	
McWhorter, Jim	SR SUBSEA SPVR (MUX)	
Meche, Greg	Mud Eng	
Midkiff, Preston	Sample Catcher	
Musgrove, James	ABLE BODIED SEAMAN	
O'Donnell, Sean	Sample Catcher	
Oufnac, Dean	CONSULTANT	
Page, Rodney	ELECTRICIAN	
Paine, Kate	ANALYST	
Parsons, James	ABLE BODIED SEAMAN	
Pelkan, James	CRANE OPER	
Pleasant, Christopher	SUBSEA SPVR	
Predki, Richard	CHIEF MECHANIC	
Prine, Jonathan	MOTOR OPER	
Procell, Colby	FLOORHAND	
Rachal, Bryan	Campboss	
Roche, Nathaniel	SR DYNAMIC POS OPER	
Ruffin, Nobel	Galley Hand	
Ryan, Rodney	OIM OFFSHORE INST MGR	
Sablatura, Michael	ROUSTABOUT	
Sams Jr., Robert	FLOORHAND	
Sanders, John	DYNAMIC POS OPER II	
Sandidge, Casey	FLOORHAND	
Scafidel Jr., Jerry	MECHANIC	
Sepulvado, Michael	ASST DRILLER	
Smith, Adam	DIRECTIONAL DRILLER	
Solberger, Alex	Mud Engineer	
Spangler III, Wilmer	FLOORHAND	
Splawn, Robert	COORDINATOR	
Stafford, Terry	ROV SUPERVISOR	
Stevens, Virgina	LAUNDRY	
Stockstill, Steven	FLOORHAND	
Tabler, Vincent	Cementer	
Terrell II, William	CHIEF ELECTRONIC TECH	
Thibodeaux, Justin	CRANE OPER	
Thomas, Erike	Tech	
Trenum, Ronald	ASST DRILLER	
Turner, Samuel	ROUSTABOUT	
Ussin, Dominic	BR	
Ussin, Renard	Galley Hand	
Vidrine, Donald	Company Man	
Votaw, James	SR TOOLPUSHER	
Washington, Lonnie	Galley Hand	

Watson, Robert	TOOLPUSHER	
Weise, Adam	FLOORHAND	
Wheeler, Wyman	TOOLPUSHER	
Whittle, John	FLOORHAND	
Williams, Harmon	RADIO OPERATOR	
Williams, Ira	BR	
Willis, Cathleenia	Mudlogger	
Windham, Allen	MECHANICAL SPVR	

GENERAL COMMENTS

Added By	Date	Comment
hq\chiefmate.dwh	21 Feb 2010	Saved Form
hq\chiefmate.dwh	24 Feb 2010	Created Form
hq\olm.dwh	25 Feb 2010	Saved Form
hq\olm.dwh	25 Feb 2010	Approved By OIM

Kleppinger, Karl	FLOORHAND	
Ladner, Todd	PUMPHAND	
Lavergne, Austin	Stabber / Operator	
Ledoux, Terry	TOOLHAND	
Lee, Earl	Company Man	
Lee, Lantonio	MWD	
LeJeune, Derrick	ROUSTABOUT	
Lindner, Leo	Mud Engineer	
Longoria, Ted	PAINT FOREMAN	
Lupo, Nicholas	DYNAMIC POS OPER II	
Lynch, Phillip	COOK	
Magee, Richard	Cook - Night	
Mansfield, James	1ST ASST MARINE ENGINEER	
Martinez, Dennis	DECKPUSHER	
Mayfield, Mike	SR DYNAMIC POS OPER	
McCorkle, Wayne	Galley Hand	
McKee, Johnny	DIRECTIONAL DRILLER	
McRaney, Luther	CHIEF MECHANIC	
McTair, Hector	Galley Hand	
McWhorter, Jim	SR SUBSEA SPVR (MUX)	
Meche, Greg	Mud Eng	
Moore, Terry	HSE	
Moss, Eugene	CRANE OPER	
Musgrove, James	ABLE BODIED SEAMAN	
Odenwald, Jay	SUBSEA SPVR	
Oldham, Jarod	3RD ASST MARINE ENGINEER	
Page, Rodney	ELECTRICIAN	
Parsons, James	ABLE BODIED SEAMAN	
Pelican, James	CRANE OPER	
Pigg Jr, Samuel	ROUSTABOUT	
Prine, Jonathan	MOTOR OPER	
Procell, Colby	FLOORHAND	
Reed, Darrell	Galley Hand	
Revette, Dewey	DRILLER	
Richards, Steven	BOSUN	
Roche, Nathaniel	SR DYNAMIC POS OPER	
Romero, Dwayne	CRANE OPER	
Roshto, Shane	FLOORHAND	
Rupinski, Darin	DYNAMIC POS OPER II	
Sams Jr., Robert	FLOORHAND	
Sellers, Terry	MOTOR OPER	
Simmons, Joseph	ABLE BODIED SEAMAN	
Smith, Adam	DIRECTIONAL DRILLER	
Smith, Cedric	Utility Hand	
Splawn, Robert	COORDINATOR	
Stephens, Charles	3rd party Mud Engineer	
Stockstill, Steven	FLOORHAND	
Stone, Stephen	ROUSTABOUT	
Tabler, Vincent	Cementer	
Thomas, Erike	Tech	
Tripp, Alex	Drilling Eng.	
Turner, Samuel	ROUSTABOUT	
Turner, Terrence	CHIEF MECHANIC	
Verhaar, Derek	FLOORHAND	
Vidrine, Donald	Company Man	
Votaw, James	SR TOOLPUSHER	
Walker, Paula	LAUNDRY - DAYS	

Whittle, John	FLOORHAND	
Williams, Harmon	RADIO OPERATOR	
Williams, Ira	BR	
Willis, Cathleenia	Mudlogger	
Windham, Allen	MECHANICAL SPVR	

GENERAL COMMENTS

Added By	Date	Comment
hq\chiefmate.dwh	28 Feb 2010	Created Form
hq\oim.dwh	28 Feb 2010	Saved Form
hq\oim.dwh	06 Mar 2010	Saved Form
hq\oim.dwh	06 Mar 2010	Good response with fire and medical team, continue training with drills with mass triage involved to improve communications.
hq\oim.dwh	06 Mar 2010	Saved Form
hq\oim.dwh	08 Mar 2010	Approved By OIM

Lacy, Stuart	GEOLOGIST.	
Ladner, Todd	PUMPHAND	
Lavergne, Austin	Stabber / Operator	
Ledoux, Terry	TOOLHAND	
Lee, Earl	Company Man	
Lee, Lantonio	MWD	
LeJeune, Derrick	ROUSTABOUT	
Lindner, Leo	Mud Engineer	
Longoria, Ted	PAINT FOREMAN	
Lupo, Nicholas	DYNAMIC POS OPER II	
Lynch, Phillip	COOK	
Magee, Richard	Cook - Night	
Mansfield, James	1ST ASST MARINE ENGINEER	
Martinez, Dennis	DECKPUSHER	
Mayfield, Mike	SR DYNAMIC POS OPER	
McCorkle, Wayne	Galley Hand	
McKee, Johnny	DIRECTIONAL DRILLER	
McRaney, Luther	CHIEF MECHANIC	
McTair, Hector	Galley Hand	
McWhorter, Jim	SR SUBSEA SPVR (MUX)	
Meche, Greg	Mud Eng	
Moss, Eugene	CRANE OPER	
Musgrove, James	ABLE BODIED SEAMAN	
Odenwald, Jay	SUBSEA SPVR	
Oldham, Jarod	3RD ASST MARINE ENGINEER	
Page, Rodney	ELECTRICIAN	
Parsons, James	ABLE BODIED SEAMAN	
Pelican, James	CRANE OPER	
Pigg Jr, Samuel	ROUSTABOUT	
Procell, Colby	FLOORHAND	
Reed, Darrell	Galley Hand	
Revette, Dewey	DRILLER	
Richards, Steven	BOSUN	
Roche, Nathaniel	SR DYNAMIC POS OPER	
Romero, Dwayne	CRANE OPER	
Roshto, Shane	FLOORHAND	
Rupinski, Darin	DYNAMIC POS OPER II	
Sams Jr., Robert	FLOORHAND	
Sellers, Terry	MOTOR OPER	
Simmons, Joseph	ABLE BODIED SEAMAN	
Smith, Adam	DIRECTIONAL DRILLER	
Smith, Cedric	Utility Hand	
Splawn, Robert	COORDINATOR	
Stockstill, Steven	FLOORHAND	
Stone, Stephen	ROUSTABOUT	
Tabler, Vincent	Cementer	
Thomas, Erike	Tech	
Tripp, Alex	Drilling Eng.	
Turner, Samuel	ROUSTABOUT	
Turner, Terrence	CHIEF MECHANIC	
Verhaar, Derek	FLOORHAND	
Vidrine, Donald	Company Man	
Votaw, James	SR TOOLPUSHER	
Walker, Paula	LAUNDRY - DAYS	
Watson, Robert	TOOLPUSHER	
Weise, Adam	FLOORHAND	
Wheeler, Wyman	TOOLPUSHER	

Transocean

Safety Drill Report

Printed : 10-May-2010
17:49 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	Well Name :	MC 252	Drill Report Number :	1497	Date :	14-Feb-2010
Operator :	BP Exploration	SeniorTP :	Votaw	Response Satisfactory :	Yes	Time :	10:00
Field :	MISSISSIPPI CANYON	Tool Pusher :	Watson	Time Required(hrs):	0.3		
OIM :	Ryan	Master/Barge :	Kuchta	Number of POB :	142		
				Number of Participants :	142		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on the PA/GA and whistle for a simulated fire at the Starboard loading Station. Crew mustered at Fire and Emergency stations. Fire Teams #1 and #2 conducted a simulated attack using hoses from Fire Stations #5 and #9.

Comments

Teams need to bring the correct equipment with them when they come to the staging area. Crews did not bring nozzles for the hoses that they brought with them.

Future Action/Development Required

Continue to work with fire teams about bringing the correct equipment to the staging area.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 10-May-2010
17:46 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	Well Name :	MC 252	Drill Report Number :	1492 Date : 07-Feb-2010
Operator :	BP Exploration	SeniorTP :	Ezell	Response Satisfactory :	Yes Time : 10:00
Field :	MISSISSIPPI CANYON	Tool Pusher :	Anderson	Time Required(hrs):	0.25
OIM :	Ryan	Master/Barge :	Kuchta	Number of POB :	125
				Number of Participants :	0

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for fire And emergency on the vessels whistle and PA/GA for a simulated class A fire starboard forward. All non-essential personnel muster at primary muster stations. Fire Team #2 musters and reports to the starboard crane pedistal and runs out hoses from fire station #9 with a foam eductor. Hose training conducted with AFFF Foam. Bridge simulates securing power and ventilation.

Comments

Muster completed in a timely manner. Quick response by Fire Team #2 allowed for ample hose training. Vari-Nozzle utilized and produced better foam than using the regular fire nozzle.

Future Action/Development Required

Continue to concentrate on timely musters and quick response to emergency.

Signed OIM : Rod Ryan Date: 07-Feb-2010

Transocean

Safety Drill Report

Printed : 10-May-2010
18:10 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	Well Name :	MC 727 #2	Drill Report Number :	1481	Date :	17-Jan-2010
Operator :	BP America	SeniorTP :	Votaw	Response Satisfactory :	Yes	Time :	10:00
Field :	Miss. Canyon	Tool Pusher :	Wheeler	Time Required(hrs):	0.2		
OIM :	Harrell	Master/Barge :	Hackney	Number of POB :	137		
				Number of Participants :	137		

Drill Report Type : Fire Drill

Description of Drill

Sounded Alarm for Fire and Emergency on the PA/GA and Whistle. Crew mustered at Fire and Emergency stations. Fire Team #1 conducted training on the use of the fixed wet chemical system in the Galley, while Fire Team #2 conducted simulated boundary cooling in the Dry Store. The Hospital Team reponded to a simulated victim and moved them to the Hospital for training in the treatment of smoke inhalation.

Comments

The fire fighting portion of the drill went smoothly, but the muster could have gone better.

Future Action/Development Required

Work with muster takers to ensure that personnel are only counted as present when they are actually present.

Signed OIM : Jimmy W. Harrell **Date:** 19-Jan-2010

Transocean

Safety Drill Report

Printed : 10-May-2010
18:14 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	Well Name :	MC 727 #2	Drill Report Number :	1474	Date :	10-Jan-2010
Operator :	BP America	SeniorTP :	Votaw	Response Satisfactory :	Yes	Time :	10:00
Field :	Miss. Canyon	Tool Pusher :	Wheeler	Time Required(hrs):	0.3		
OIM :	Ryan	Master/Barge :	Hackney	Number of POB :	138		
				Number of Participants :	138		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on the PA/GA and whistle for a simulated Class B fire at the Helifuel Storage. Crew mustered at Fire and Emergency Stations. Fire Team #1 made a simulated attack using the fixed foam system while Fire Team #2 conducted hose training using the hose from Fire Station #3.

Comments

As a part of the fire drill, Fire Team #1 was trained in spill response using the supplies in the SOPEP locker.

Future Action/Development Required

Continue with drills that have more than one emergency (i.e. Spill and Fire).

Signed OIM : Date: 10-Jan-2010

Transocean

Safety Drill Report

Printed : 20-May-2010
19:06 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1462 **Date :** 20-Dec-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:00
Field :	Miss. Canyon	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.25
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	129
				Number of Participants :	125

Drill Report Type : Fire Drill

Description of Drill

The Fire and Emergency Signal was sounded on the PA/GA as well as the whistle for a simulated Class C fire in the Moon Pool. All personnel with specific Fire and Emergency duties reported to their respective station. Non-essential reported to the primary muster station. Fire Teams #1 and #2 reported to their respective stations forward and aft. The simulated shut down of power in the Moon Pool area by the Ewaco equipment was completed. Fire Team #1 went through the simulation of extinguishing the fire by fire hose and shown where to activate the deluge system as well as the sprinkler head locations. Fire Team #2 proceeded to Fire Station #09 for actual foam (AFFF Spray) training.

Comments

There was good co-operation by all hands in responding to drill and in a timely manner.

Future Action/Development Required

Continual training and drills with appropriate content.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
19:08 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1457 **Date :** 13-Dec-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:00
Field :	Miss. Canyon	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.25
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	135
				Number of Participants :	126

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for Fire and Emergency on PA/GA as well as the whistle for a simulated Class C fire in the compressor room on the port side. All personnel with specific Fire and Emergency duties reported to their respective station. Non-essential reported to the primary muster station. Fire Teams #1 and #2 reported to their respective stations forward and aft. The simulated shut down of ventilation and power in the compressor was completed. Fire Team #1 went through the simulation of extinguishing the fire by Class C extinguishers. Fire Team #2 used Fire Station #02 for fire hose training under full pressure.

Comments

Good co-operation by all hands in responding to drill and in a timely manner. Two personnel were found to have made a short-cut through the area that was announced as to the location of the fire. Crew will need to be more focused in regards to where the fire or danger area is when reporting to their respective muster station.

Future Action/Development Required

Continual training and drills with appropriate content.

Signed OIM : Jimmy W. Harrell **Date:** 13-Dec-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:14 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1441	**Date :**	22-Nov-2009
Operator :	BP America	**SeniorTP :**	Vorlaw	**Response Satisfactory :**	Yes	**Time :**	10:00
Field :	Miss. Canyon	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.4		
OIM :	Ryan	**Master/Barge :**	Muise	**Number of POB :**	144		
				Number of Participants :	144		

Drill Report Type : Fire Drill

Description of Drill

Sounded signal for Fire/Emergency on whistle and PA/GA for simulated class C fire in number 5 switchgear room. Crew mustered at Fire & Emergency Stations. Fire team #1 donned gear and simulated extinguishing fire with fixed CO2 as directed by Master. Fire team #2 performed hose training and simulated boundary cooling using hose from Fire Station #3.

Comments

Fire door leading from switch gear room 6 to switch gear room 5 was found to be propped open by a tool wedged in the door jam. The weight of the door caused the bottom hinge to bend not allowing the door to close. Discussed with crew the importance of closing fire doors. If a door must be left open for any reason, notify the bridge and secure door using appropriate tie-off.

Future Action/Development Required

Repair Fire door.

Continue training with crew on fixed CO2 systems.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
19:16 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1436 **Date :** 15-Nov-2009
Operator :	BP America	**SeniorTP :**	Anderson	**Response Satisfactory :**	Yes **Time :** 10:00
Field :	Miss. Canyon	**Tool Pusher :**	Deshotel	**Time Required(hrs):**	0.25
OIM :		**Master/Barge :**	Muise	**Number of POB :**	140
				Number of Particpants :	130

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for a simulated class B fire in the starboard crane. All non-essential personnel muster at primary muster stations. Ventilation to the Starboard Machinery Space was simulated secured.Fire Team #1 masters and reports to the bridge for direction in the inspection of general alarm lights and speaker to verify proper functions. Fire Team #2 muster and staged at the Sack Room hatch anticipating approach to the crane pedistal from the Wire Line Unit. Once informed that accommodations were clear and that there was a complete muster permission was granted to release CO2. Fire team #2 simulated the failure of the remote release of CO2 and simulated the need to release CO2 from the base of the crane pedestal. All were instructed in the proper release of CO2 and the precautions that need to be taken before releasing the CO2. Fire team #2 simulated setting a reflash watch and were trained in the need to cool the crane and leave all hatches closed until there is no risk of ref ash

Comments

Lessons Learned:
Cranes are not linked in MARSA

CO2 does not automatically ESD the crane however the ESD is in close proximity to the CO2 release.

Chief Mate needs to call in the muster for Command Team Leaders.

Starboard Accommodations Ventilation should be secured.

Future Action/Development Required

Continue with emergency response training.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
19:21 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1421	**Date :**	25-Oct-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes	**Time :**	10:00
Field :	Miss. Canyon	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	0.3		
OIM :	Harrell	**Master/Barge :**	Kuchta	**Number of POB :**	137		
				Number of Participants :	137		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm on PA/GA and whistle for a simulated Class B fire in the Hazardous Material Storage on the Stbd Aft Main Deck. Crew mustered at fire and emeergency stations. Fire Teams #1 and #2 made simulated attacks using foam.

Comments

We used expired foam from the foam bank for training purposes. Each fire team was able to use 10 gallons of foam for training. This allowed all team members to see the deployment of a foam blanket and learn how long a 5-gallon bucket of w.. t last.

It was good training.

Future Action/Development Required

Continue with foam training for all crews as long as the supply of expired foam lasts.

Signed OIM : Jimmy W. Harrell **Date:** 25-Oct-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:23 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1414 **Date :** 18-Oct-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes **Time :** 10:00
Field :	Miss. Canyon	**Tool Pusher :**	Wheeler	**Time Required(hrs):**	0.4
OIM :	Ryan	**Master/Barge :**	Kuchra	**Number of POB :**	131
				Number of Participants :	131

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm on the PA/GA and whistle for a simulated Class C fire in the Laundry Room. Crew mustered at Fire and Emergency stations. Fire Teams #1 & #2 conducted a search of the space while using SCBAs and the Medical Team conducted training on the treatment of smoke inhalation.

Comments

Used clear, plastic bags to simulate the limited visibility associated with smoke. The training went well, and the teams learned some valuable skills.

Future Action/Development Required

Continue with periodic training using limited visibility.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
19:34 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	MC 727 #2	**Drill Report Number :**	1396 **Date :** 20-Sep-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	Miss. Canyon	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.25
OIM :	Harrell	**Master/Barge :**	Muise	**Number of POB :**	116
				Number of Participants :	116

Drill Report Type : Fire Drill

Description of Drill

Signal Sounded on vessel whistle and PA/GA for Fire and Emergency for a simulated fire and helicopter crash on the helideck. All non-essential personnel mustered at Secondary muster stations. Fire Team 2 mustered and conducted hose training utilizing an applicator on Fire Station #1. Fire Team 1 mustered and report to Fire Station #9. Fire Team #1 instructed on the proper reaction to a helicopter emergency, use of the helideck foam system and the proper use of the helideck scupper drain system. HLO conducted further training on the approach of helicopters and the placement of helicopter landing teams for the helicopters approach.

Comments

HLO mentioned that it would be a good idea to have a designated HLO and Helicopter Landing Team muster station that is not below the helideck to ensure that the helicopter landing team is not in danger if the arriving or departing helicopter has issues.

Future Action/Development Required

Look into helicopter landing team safe muster area.

Signed OIM : Jimmy Harrell **Date:** 20-Sep-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
19:41 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	UWILD2009	**Drill Report Number :**	1382	**Date :**	30-Aug-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes	**Time :**	10:30
Field :	Atwater Valley 53	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.3		
OIM :	Ryan	**Master/Barge :**	Kuchta	**Number of POB :**	127		
				Number of Participants :	127		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm on PA/GA and whistle for a simulated Class C fire in the starboard aft ballast pump room. Crew mustered at fire and emergency stations. Fire Team #1 conducted a simulated attack using a portable CO2 extinguisher while Fire Team #2 conducted hose and SCBA training using hose from Fire Station #1.

Comments

Drill went smoothly

Future Action/Development Required

Continue with SCBA training.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
19:42 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1377 **Date :** 23-Aug-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes **Time :** 10:31
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.3
OIM :	Ryan	**Master/Barge :**	Kuchta	**Number of POB :**	131
				Number of Participants :	113

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for simulated Class A fire in room 342. All non-essential personnel are mustered at primary muster stations while Fire Team 1 musters and staged in the port side change room 3rd deck. All Fire Team members are instructed on the available equipment surrounding the space and the equipment that could have been picked up while enroute. Fire Team one demonstrates individual knowledge of ventilation and the need to secure power. Fire Team 2 conducts hose training utilizing Fire Station A1.

Comments

All have improved on situational awareness and the need to remain in a lightered awareness at all times. All members of the fire team are aware that they should always keep in the back of their minds that they are part of the fire team and should look at all areas as if they may need to combat a fire in that space.

Future Action/Development Required

Continue training with situational awareness.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
19:50 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1359 **Date :** 02-Aug-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes **Time :** 10:51
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Deshotel	**Time Required(hrs):**	0.3
OIM :	Ryan	**Master/Barge :**	Muise	**Number of POB :**	136
				Number of Participants :	147

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on whistle and PA/GA for a simulated fire on or alongside supply boat. Crew mustered at fire and emergency station. Fire Teams #1 and #2 conducted Man Overboard training in Lifeboats #1 and #2 with a two medical response team discussed the establishment of a triage station on the starboard forward main deck.

Comments

Bridge team discussed the effect of a supply boat fire on r g operations.

Future Action/Development Required

Continue with drills.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
19:52 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1354	**Date :**	26-Jul-2009
Operator :	BP America	**SeniorTP :**	Ezell	**Response Satisfactory :**	Yes	**Time :**	10:50
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Anderson	**Time Required(hrs):**	0.25		
OIM :	Ryan	**Master/Barge :**	Muise	**Number of POB :**	132		
				Number of Participants :	132		

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Emergency on PA/GA and whistle for a Simulated Class B fire in Engine Room #6. Crew mustered at fire and emergency stations. Fire Team #1 rigged up for a simulated attack using water from Fire Station #3, while Fire Team #2 simulated boundary cooling on the main deck. The Captain called for a release of CO2 from the fixed system and a simulated release was made using the controls in the starboard mud pump room.

Comments

The drill went smoothly. The Fire Team asked good questions and was familiar with the procedures used during a release of CO2.

Future Action/Development Required

Continue training with crews on the operation of the fixed CO2 system.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
19:59 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1337 **Date :** 05-Jul-2009
Operator :	BP America	**SeniorTP :**	Watson	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Votaw	**Time Required(hrs):**	0.25
OIM :	Ryan	**Master/Barge :**	Kuchta	**Number of POB :**	132
				Number of Participants :	130

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for a simulated class C fire at the 28.5m level port fwd. on the vessel whistle and PA/GA. All non-essential personnel mustered at primary muster station. Fire team #1 mustered and reported to the scene via the port forward stairwell. Fire eqpt #2 conducts hose training utilizing Fire Station #1. Pressure supplied by the use of Fire pumps 1 and 2. Fire Team #1 simulates the use of a class D fire extinguisher as well as the need to emmerse a burning battery in water for an extended period of time in order to combat the chemical reaction.

Comments

It was mentioned and recognized that there may be a need for 55 gallon drum located in the battery storage area specifically for use in the event of a battery fire.

Future Action/Development Required

Signed OIM : Rodny Ryan **Date:** 05-Jul-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:04 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1329 **Date :** 28-Jun-2009
Operator :	BP America	**SeniorTP :**	Deshotel	**Response Satisfactory :**	Yes **Time :** 10:57
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Ezell	**Time Required(hrs):**	0.25
OIM :	Ryan	**Master/Barge :**	Muise	**Number of POB :**	130
				Number of Participants :	128

Drill Report Type : Fire Drill

Description of Drill

Signal Sounded for simulated Fire and Emergency on the vessel whistle and PA/GA. Simulated Class C Fire in the battery locker. All non-essential personnel muster at primary muster stations. Fire team #1 reports to the scene of the fire with a Dual-portable CO2 extinguisher and leads out a hose with an extra length from fire station #8. Fire Team #1 simulates attacking the fire with CO2 and utilizing a hose team for cooling and fire team protection. Fire Team #2 conducts hose training and the training in the use of fire fighting equipment.
All hands were debriefed and all equipment was stowed and returned to regular service.

Comments

Bridge team needs will work on better communication and pre-drill planning.
BDD 3-2 Fire Zone 1A should be utilized to secure this space.
Possibly too many personnel on rig floor.

Future Action/Development Required

Signed OIM : Rodney Ryan **Date:** 28-Jun-2009

Transocean

Safety Drill Report

Printed : 20-May-2010
20:13 GMT
GRS OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1308 **Date :** 07-Jun-2009
Operator :	BP America	**SeniorTP :**	Votaw	**Response Satisfactory :**	Yes **Time :** 10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Watson	**Time Required(hrs):**	0.3
OIM :	Ryan	**Master/Barge :**	Kuchta	**Number of POB :**	129
				Number of Participants :	129

Drill Report Type : Fire Drill

Description of Drill

Sounded alarm for Fire and Abandonment on PA/GA for a simulated Class C fire in the Starboard Forward Emergency Ballast Control Panel. Crew Mustered at Fire and Emergency Stations. Fire Team #1 made a simulated attack using dry chem and CO2 fire extinguishers while Fire Team #2 conducted hose training.

Comments

This drill went smoothly.

Future Action/Development Required

Continue with training on the layout of spaces around the r.g.

Signed OIM : **Date:**

Transocean

Safety Drill Report

Printed : 20-May-2010
20:15 GMT
GRS-OnLine

Rig Name :	Deepwater Horizon	**Well Name :**	KEATHLEY CANYON 102 #1	**Drill Report Number :**	1303 **Date :** 31-May-2009
Operator :	BP America	**SeniorTP :**	Deshotel	**Response Satisfactory :**	**Time :** 10:30
Field :	KEATHLEY CANYON 102	**Tool Pusher :**	Ezell	**Time Required(hrs):**	1
OIM :	Ryan	**Master/Barge :**	Kuchta	**Number of POB :**	135
				Number of Participants :	130

Drill Report Type : Fire Drill

Description of Drill

Signal sounded for fire and emergency for a simulated fire in BSR5. All non-essential personnel muster at primary muster stations while fire teams 1 and 2 muster and report to the CCR Room.

All Fire Team personnel were instructed on the proper procedures for the release of CO2 from various locations as well as the means of securing fuel oil supply to MUG#5.

Fire Team personnel instructed on the actions that need to be taken prior to the release of CO2. Permission needs to be graated to release CO2 from the Captain or person in charge at the Control Station. A full muster needs to be taken, and ventilation, power, and fuel supply should be secured to the space.

Fire Teams simulated the release of CO2 from the CO2 release station in the mud pump room as well as securing the fuel supply.

Hospital Team trained in the symptoms for fatigue and heat exhaustion.

Comments

All hands responded in a timely manner and were well aware of various routes to be taken to approach the space.

Future Action/Development Required

Signed OIM : Rod Ryan **Date:** 31-May-2009

Subcommittee on Coast Guard and Maritime Transportation
Of The U.S. House Committee on
Transportation and Infrastructure
Hearing on
Foreign Vessel Operations in the
U.S. Exclusive Economic Zone

Testimony by
Ken Wells, President
The Offshore Marine Service Association

June 17, 2010

Background

The Offshore Marine Service Association (OMSA) is the national trade association for the U.S. flag vessels that provide services for the offshore energy sector. Our industry was born more than 60 years ago, when the first offshore drilling started off the Coast of Louisiana. Local fishermen first used their vessels to meet the need of the new offshore oil industry. Today, the most sophisticated vessels in the world are run by the sons and grandsons of those pioneers. OMSA members own the workboats and crewboats that carry the cargo and personnel to offshore rigs and platform. Now as the country looks to alternative energy sources, such as wind and hydropower, our members are working to build the vessels that will meet the needs of these new and exciting projects. In the interests of clarity, we do not operate drilling vessels. That is a very different type of vessel involving very different operational concerns.

OMSA's members designed and constructed the vessels that work offshore, then they shared their knowledge with the world. The United States still has the largest fleet of offshore energy vessels in the world, but as I will explain, our leading role has been diminished greatly and our future is threatened.

Inspection and Safety

OMSA member vessels are U.S. flag vessels with coastwise endorsements. This means that the vessels are owned by Americans, crewed by Americans and built in American shipyards. OMSA member vessels are regulated to a high degree by the U.S. Coast Guard. Our Offshore Supply Vessels (OSVs), crewboats and utility vessels are inspected by the Coast Guard. Our mariners are trained under strict regulatory guidelines and credentialed by the Coast Guard. We meet requirements for Coast Guard-approved security plans. Our vessel discharge plans are approved by the EPA, and OMSA took a leading role in developing best practices in order to meet the requirements for vessels under the Clean Water Act.

The legal and regulatory framework that we work under has served us well, especially from a safety standpoint. Each year, OMSA surveys its members on their safety record, specifically lost time injuries on board our vessels. To our mind that is the most important standard of safety because it determines whether mariners will go home safe and uninjured at the end of their hitch offshore. Year after year, the personal injury rate for offshore vessels, based on an OSHA standard, is roughly one tenth the average for all American workplaces, on shore or at sea. That means that statistically, working on our vessels is safer than working in a restaurant, in a hotel or in an office, safer than almost every workplace in America. Our record on environmental stewardship is also good. According to Coast Guard data, from 2002 to 2008, offshore supply vessels were only responsible for one oil spill that would meet the criteria of a "serious marine casualty." While any spill or any spill is one too many, we believe we have a record we can take pride in.

While OMSA members want to operate U.S. flag vessels, it must be recognized that it costs money to fly the U.S. flag. It is a commitment to comply with the laws of the United States on safety, environmental protection and security, to pay American-level wages and to pay American taxes. In addition, the vessels we operate are built in American shipyards which must also comply with all of our laws and wage scales as well. All of those requirements potentially place us at an economic disadvantage to foreign vessels, which do not have to meet those requirements. These foreign vessels generally take advantage of the lowest cost and lowest standard available in the world.

The Jones Act

In return for a commitment to comply with U.S. laws, our vessels are protected by our Country's cabotage laws. Cabotage laws are common around the world. Our cabotage laws are popularly referred to as the Jones Act, which states that merchandise and passengers may only be carried between U.S. points on vessels that bear a U.S. flag and a coastwise endorsements.

The Jones Act gives us the ability to operate in this Country without being undercut by foreign vessels that do not have to meet our laws and regulations. What does the United States get out of the Jones Act? In the case of the OMSA membership, more than 100,000 American households rely on our sector for their livelihoods. For every mariner who works on the water, there are roughly nine shoreside jobs that support vessel operations. According to a study of the offshore vessel market, our industry is responsible for $18 billion in annual economic activity in this country. OMSA members generate $4.6 billion in annual wages and more than $2 billion in taxes.

Our sector of the maritime industry also supports a thriving shipbuilding industry in the United States. Between 2007 and 2009, American shipyards built more than 260 new vessels that can work in our offshore markets. Significantly, many of those shipyards also build military vessels to meet the new littoral defense and homeland security needs of our nation. The government and commercial vessel construction programs work together to allow our shipyards to maintain an experienced, skilled workforce, and to build expertise for our nation's needs.

We also should not forget that in the terrible minutes following the explosion of the Deepwater Horizon, it was an American crew on an American vessel that saved the lives of 115 rig workers. Throughout our history, we have seen examples of bravery and courage at sea. It is part of our national heritage. Let me suggest that the heroism of the crew of the Damon Bankston, returning time and time again into the flaming seas around the rig to rescue survivors, is now the latest chapter in that story. We should not allow the environmental disaster that followed the explosion to diminish their actions, and we should not assume for a moment that it was a foregone conclusion that the Damon Bankston would happen to be in the right place at the right time. One hundred and fifteen souls owe their lives to the American crew of that vessel.

Foreign Vessels in the Gulf of Mexico

Despite our great history, it is not a foregone conclusion that U.S. flag vessels will work in the Gulf of Mexico. We have become very concerned that the Jones Act is being significantly degraded and that the numbers of foreign vessels in the offshore energy sector is increasing. We find that many of these vessels are blatantly ignoring the Jones Act. Worse, we find that the Agency charged with enforcing the Jones Act – Customs and Border Protection ("CBP") in the Department of Homeland Security ("DHS") - has failed to live up to its responsibilities to enforce the law and to interpret the law as Congress intended. Because of this, to a large extent, American vessels are being written out of the script for the future of our offshore energy policy.

Two years ago we hired a full time investigator to track foreign vessels in the offshore energy sector. Based on his efforts, today we believe there are 85 foreign vessels working in our offshore energy sector on a regular basis. An additional 60 foreign vessels have worked in the Gulf in the last few months, but have since departed for other markets. These vessels are involved in a variety of activities.

Some are drilling vessels, which are allowed by law since they do not transport merchandise, and as stated earlier, are not a part of *our* maritime sector. However, the rest compete directly with our members.

As we have investigated these vessels, we have found that CBP and the Coast Guard lack the tools to adequately track them or even hold them to compliance standards that are significantly below those of U.S. vessels. In fact, DHS does not even have a means of figuring out where foreign vessels are in our offshore waters or what they are doing. Four years ago, Congress recognized this security lapse, and as a part of the SAFE Port Act, directed the Coast Guard to require foreign vessels to report their location and purpose when they work in our offshore waters. In fact, Congress gave the Coast Guard 180 days to develop those regulations. Yet today, DHS has not finalized those regulations and has been unresponsive to our numerous requests as to the status of the regulations. In other words, when it comes to foreign vessels in our offshore, our government still has no idea what they are up to.

Violations are Commonplace

However, through our tracking efforts, OMSA has some idea. We have found that foreign vessels working in the Gulf routinely turn off their AIS transponders, equipment which they are required by law and international agreements to use for both safety and security reasons. Turning them off makes it harder to monitor their activities.

We have found numerous examples in which we believe foreign vessels have violated the Jones Act. In some cases, we have made formal complaints to CBP concerning these activities. In other cases, we have found evidence of potential violations which warranted further investigation. Generally we have found that field units have been willing to pursue these potential violations. The problem appears to be with CBP Headquarters, which has failed to support their field units with guidance or approval. Two of our complaints are more than a year old and have yet to see action. As with the offshore reporting requirements, DHS has been unresponsive to numerous requests on the status of the complaints.

Safety Concerns

Does this lack of oversight create safety concerns offshore? It is a reasonable question, but this lack of oversight itself makes it a hard question to answer. We do know that in 2005, a foreign vessel was detained by the Coast Guard for numerous safety violations, but only after it had been allowed to work in the Gulf of Mexico for five months, under the radar, unnoticed and unexamined.

We are also aware of one instance in 2006 in which a Panamanian flagged construction barge had a serious flooding incident due to crew error in opening a valve undergoing maintenance. Based on the Coast Guard investigation, it appears that the more than 300 workers on board were mustered on deck in case they needed to evacuate. The incident report indicates that there were improperly maintained water tight doors and cable penetrations causing adjacent rooms to also flood. These would be common inspection items for a U.S. flag vessel. The flooding occurred in 7100 feet of water approximately, 190 miles south of New Orleans. After the incident occurred, the vessel was moved and anchored 40 miles south of Fourchon, Louisiana, to begin repairs that were estimated at $20 million. It is hard to conceive of a U.S. flag vessel, placed in extremis, being allowed to continue to operate without being required to come into port for a thorough USCG examination, and being allowed to submit their required written casualty report over a month after the incident rather than the five day deadline under 46 CFR Part 4.

Tax Noncompliance

The last area of noncompliance concerns taxes. In numerous cases, our members have bid for work and found that foreign vessels were able to so substantially undercut their rates that it caused them to ask how the foreign vessels could turn a profit. Last year the IRS provided the answer. In October the IRS issued "Industry Director's Directive #1 - United States Outer Continental Shelf Activity." It said "Our analysis indicates that a significant number of foreign vessels permitted to work in the OCS do not comply with U.S. filing requirements."

The directive pointed out that activities in support of offshore energy projects are not eligible for the same tax exemptions as those available to international shipping. Further, it said that if foreign vessel owners and operators do not pay their taxes, the customer, frequently an oil and gas company must pay a 30 percent withholding to the IRS.

The agency followed up by writing to the owners of some 200 foreign vessels that have worked in U.S. waters to ask them to address their tax status. While we do not know how those owners responded, it gives some glimpse into the scope of the noncompliance by the foreign vessel fleet and the potential tax revenue being lost to our country.

Our understanding is that the IRS is now preparing a second directive that will address noncompliance with our laws on employee tax withholding by foreign vessel owners. For our vessel owners, it is no wonder their bids for offshore jobs are being undercut by foreign competitors who do not bother to pay corporate income taxes or to withhold employee payroll taxes for work done in our country's waters. For our American mariners, this represents a double penalty in lost work and in competition from foreign mariners who are not paying taxes on the wages they earn here.

Current Interpretations of the Jones Act

The last area I would like to discuss concerns the approach of the Department of Homeland Security and Customs and Border Protection to the Jones Act, which has served to undermine the law and the efforts of American companies to work in the offshore energy sector. For many years, we have been troubled that CBP has incorrectly interpreted the Jones Act as allowing foreign vessels to transport large items of cargo offshore for installation, on the theory that the installed items were the equipment of the vessel, not subject to the Jones Act, rather than merchandise which is subject to the Law. This came to a head in late 2008, when BP made a request to use a foreign vessel to transport a blowout preventer and valve structure, known as a Christmas Tree, to an offshore location. In its request, BP described the cargo as "equipment of the vessel." CBP provided BP with the requested ruling which would have enabled the use of a foreign vessel.

We challenged that ruling, pointing out that the blowout preventer/Christmas Tree would be installed at the oil well and left for the life of the production facility. In no sense was it equipment of the transporting vessel. In accordance with CBP's regulations governing reconsideration of past rulings, CBP agreed and withdrew the ruling. Then they reviewed a number of other interpretive rulings on the issue of what constituted merchandise, as distinct from equipment of the vessel, and found that they had a series of conflicting, confusing interpretations that had the effect of undermining the Congressional intent of the Jones Act. In July, 2009, CBP published a proposal to address these conflicting interpretations in a way that restored the clear meaning of the law.

This would have made the law clear in a way that industry and CBP field units would have understood. Members of this Committee were in the forefront of support and urging CBP to finalize the proposal at the earliest opportunity. It would have been a signal to our members that they could build sophisticated offshore construction and repair vessels with the assurance that the law would protect them as it was intended to do. I know, for example, that one of my members has blueprints for a new vessel worth roughly $80 million dollars, and he had been waiting for CBP to finalize its proposal before going ahead with construction.

Then an interesting thing happened. At the urging of opponents of the Jones Act and those who benefit by not having the laws properly interpreted, DHS told CBP to withdraw the proposal "for further review." CBP withdrew the proposal in mid-September, saying it would be reissued in the near future. Six months passed with no new proposal. Then on March 17th, over the strong objection of OMSA and others in the maritime community, rather than issuing a new proposal under the process proscribed by law and CBP regulations, DHS drafted an Advanced Notice of Proposed Rulemaking and submitted it to OMB for review. Utilizing the Advanced Notice process ensured that the issue will not be resolved for two years or more. Now as we understand it, the U.S. Trade Representative has raised concerns over using this process, potentially causing further delay or even an end to the process.

DHS has yet to explain why it chose this path or what it intends to do now, although we did receive a letter from DHS on June 4th commending us for our patience.

Implications for the Future

Finally, the government's posture with regard to foreign vessels working in our offshore areas is not just important to the current offshore oil and gas activities that are engaged in. It may also determine our future role in developing offshore wind and other alternative energy projects. There will be a need for specially built installation and maintenance vessels. One is under construction in Louisiana as we speak. However, U.S. owners need the assurance from our government that it will interpret and enforce the laws correctly and as Congress intended. Otherwise, businesses risk stranding millions of dollars in capital investment because the Government is unwilling to live up to their obligations.

Thank you for allowing OMSA to submit this statement.

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